

## SENATE.

FRIDAY, December 10, 1920.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, by Thy gracious favor we come to this new day and address ourselves to the tasks that are before us. We ask that Thy presence may be with us, that where authority is exercised it may be with Thy consent, that where counsel is taken it may be in partnership with the Divine will, that where power is exercised it may be chastened and refined by Thy grace, so that in all of our work to establish this Nation in righteousness and peace we may have the constant blessing of the God of our fathers upon us. We ask it for Christ's sake. Amen.

JOSEPH T. ROBINSON, a Senator from the State of Arkansas, appeared in his seat to-day.

The reading clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

## REPORT OF GOVERNOR OF PANAMA CANAL.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and ordered printed and with the accompanying papers referred to the Committee on Inter-oceanic Canals:

THE WHITE HOUSE,  
Washington.

To the Senate and House of Representatives:

I transmit herewith, for the information of the Congress, the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1920.

WOODROW WILSON.

THE WHITE HOUSE,  
10 December, 1920.

## BUREAU OF ENGRAVING AND PRINTING.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, a statement showing the number of employees and their compensation in the Bureau of Engraving and Printing whose compensation is paid from "Expenses of loan" and "Compensation of employees," but who are detailed for clerical, messenger, and watchman service, during the fiscal year ended June 30, 1920, which was referred to the Committee on Appropriations.

## NITRATE OF SODA PURCHASES.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting the names of purchasers of nitrate of soda, together with the prices for which sold, which was referred to the Committee on Military Affairs.

## TAXES ON ALLOTTED INDIAN LANDS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of an investigation as to the right of Stevens and Ferry Counties, in the State of Washington, to the payment of taxes on allotted Indian lands under existing law, which was referred to the Committee on Indian Affairs.

## SALES BY DEPARTMENT OF THE INTERIOR.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report showing the proceeds from the sale of supplies and obsolete material and equipment and from the collection of town-site assessments during the fiscal year ended June 30, 1920, which was referred to the Committee on Indian Affairs.

## REPORTS OF SECRETARY OF THE SENATE.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Senate, transmitting, pursuant to law, a statement of all property belonging to the United States in his possession on the 6th day of December, 1920 (S. Doc. No. 345), which was ordered to lie on the table and be printed.

He also laid before the Senate a communication from the Secretary of the Senate, transmitting, pursuant to law, a statement of the receipts and expenditures of the Senate during the fiscal year ended June 30, 1920, which was ordered to lie on the table and be printed.

## FREIGHT CONGESTION (S. DOC. NO. 344).

The VICE PRESIDENT laid before the Senate a communication from the Interstate Commerce Commission, transmitting, in response to Senate resolution No. 362, information showing

the causes for freight congestion in the principal cities of the United States, etc., which was read and referred to the Committee on Interstate Commerce.

## PRICES OF FARM IMPLEMENTS.

The VICE PRESIDENT laid before the Senate a communication from the Federal Trade Commission, transmitting, in response to Senate resolution No. 226, a report on the causes of high prices of farm implements, which was referred to the Committee on Agriculture.

## DISTRICT PUBLIC UTILITIES COMMISSION.

The VICE PRESIDENT laid before the Senate a communication from the Columbia Heights Citizens' Association, Washington, D. C., transmitting, pursuant to law, a report of a special committee of the association, relative to the eligibility of the members of the Public Utilities Commission of the District of Columbia, which was referred to the Committee on the District of Columbia.

## CREDENTIALS.

The VICE PRESIDENT laid before the Senate a certificate of the governor of Ohio, certifying to the election of FRANK B. WILLIS as a Senator from that State for the term of six years beginning March 4, 1921, which was read and ordered to be filed, as follows:

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF OHIO.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES OF AMERICA: This is to certify that on the 2d day of November, 1920, FRANK B. WILLIS was duly chosen by the qualified electors of the State of Ohio a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1921.

Witness: His excellency, our governor, James M. Cox, and our seal hereto affixed at Columbus, Ohio, this 8th day of December, in the year of our Lord 1920.

[SEAL.]

By the governor:

JAMES M. COX, Governor.

HARVEY C. SMITH,  
Secretary of State.

Mr. GAY. Mr. President, I present the credentials of Hon. EDWIN S. BROUSSARD, who on the 2d of November last was duly chosen by the qualified electors of the State of Louisiana a Senator from that State to represent the State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1921. I ask that the credentials may be read.

The credentials were read and ordered to be placed on file, as follows:

STATE OF LOUISIANA,  
Executive Department.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 2d day of November, 1920, EDWIN S. BROUSSARD was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1921.

Witness: His excellency, our governor, John M. Parker, and our seal hereto affixed at Baton Rouge, this 3d day of December, in the year of our Lord 1920,

[SEAL.]

By the governor:

JOHN M. PARKER, Governor.

JAMES J. BAILEY,  
Secretary of State.

## HOUSE BILLS REFERRED.

H. R. 13264. An act to provide for the award of a medal of merit to the personnel of the merchant marine of the United States of America was read twice by its title and referred to the Committee on Commerce.

H. R. 10311. An act to further amend section 8 of an act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, and amended by the act approved March 3, 1913, was read twice by its title and referred to the Committee on Agriculture and Forestry.

## PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented a petition of sundry citizens of Detroit, Mich., praying for the release of Xenophan Kalamatiano, an American citizen who has been held a prisoner by the soviet rulers of Russia for two years, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Ingham County, Mich., praying for the enactment of legislation whereby the United States will take her place among the leading nations of the world in the prompt adoption of an international agreement to make and maintain peace without recourse to war, which was referred to the Committee on Foreign Relations.

He also presented a memorial of sundry citizens of Ingham County, Mich., opposing any effort that may be made to nullify

national prohibition, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented resolution in the nature of a petition adopted by the Oregon Mohair Goat Association, Sixes, Oreg., praying for the enactment of legislation for a tariff on mohair imported into the United States, which was referred to the Committee on Finance.

Mr. NELSON presented a petition of sundry citizens, praying for the enactment of legislation to prohibit, for the purpose of canning and export from Alaska, fishing of salmon in the Yukon River, Alaska, its tributaries, and adjacent waters, which was referred to the Committee on Territories.

He also presented a petition of the Aristonian Club, of Sauk Rapids, Minn., praying for the enactment of legislation to suppress the tide of immigration that is flowing into the United States from foreign countries, which was referred to the Committee on Immigration.

Mr. GAY presented a telegram in the nature of a petition from the New Orleans Cotton Exchange in favor of the reinstatement of the War Finance Corporation for the relief and restoration of commerce to normal lines, which was ordered to lie on the table.

#### REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. KIRBY, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 172), authorizing and directing the Secretary of War to sell a certain parcel of land known as Fort Jackson, at New Deptford, on the Savannah River, Ga., reported it with an amendment, and submitted a report (No. 665) thereon.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 4572), granting to the city and county of Honolulu, Territory of Hawaii, a right of way over and across the Fort De Russy Military Reservation for the purpose of extending its sewer system, reported it without amendment and submitted a report (No. 664) thereon.

#### CAPTURED WAR DEVICES AND TROPHIES.

Mr. WADSWORTH. From the Committee on Military Affairs, to which were referred the bill (S. 643) to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia, and the amendments of the House thereto, I report with a recommendation that the Senate disagree to the amendments of the House.

The Senate bill just reported from the Committee on Military Affairs heretofore passed the Senate. The House also passed the bill with certain amendments. When the bill came back to the Senate it, together with the House amendments, was again referred to the committee, which has instructed the chairman to ask for a conference. I therefore move that the Senate disagree to the amendments of the House and ask for a conference with the House on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

The VICE PRESIDENT. Without objection, the motion is agreed to, and the Chair appoints Mr. WADSWORTH, Mr. SUTHERLAND, and Mr. CHAMBERLAIN conferees on the part of the Senate.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 4579) donating machine gun No. 2997 to the city of Pittsburg, Kans.; to the Committee on Military Affairs.

By Mr. TOWNSEND:

A bill (S. 4580) granting an increase of pension to Lucy V. Fardee; to the Committee on Pensions.

A bill (S. 4581) for the relief of Robert Edgar Zeigler (with accompanying papers); to the Committee on Claims.

By Mr. RANDELL:

A bill (S. 4582) to declare Bayou Cocodrie nonnavigable from its source to its junction with Bayou Chicot; to the Committee on Commerce.

A bill (S. 4583) for the relief of occupants of lands included in the Bellevue grant in St. Landry Parish, La.; to the Committee on Public Lands.

By Mr. SPENCER:

A bill (S. 4584) granting a pension to Uletha M. Robison; and

A bill (S. 4585) granting a pension to Harriet Daniels; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 4586) granting an increase of pension to Robert T. C. Blevins (with accompanying papers); to the Committee on Pensions.

By Mr. HARRIS:

A bill (S. 4587) granting the consent of Congress to the counties of Brooks and Lowndes, in the State of Georgia, to construct a bridge across the Withlacoochee River; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 4588) granting consent of Congress to the county of Bowie and the county of Cass, State of Texas, for construction of a bridge across Sulphur River at or near Pettis Bridge, on State Highway No. 8, in said counties and State; to the Committee on Commerce.

By Mr. SMOOT:

A bill (S. 4589) providing for an exchange of lands between Annie McDonald and the United States; to the Committee on Public Lands.

A bill (S. 4590) granting an increase of pension to James H. Martineau (with accompanying papers); to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 4591) for the relief of Francis Graves Bonham; and

A bill (S. 4592) to authorize the issuance of the distinguished service cross or medal to certain officers in certain contingencies; to the Committee on Military Affairs.

By Mr. KEYES:

A bill (S. 4593) making an appropriation to be expended under the provisions of the act of March 1, 1911 (36 Stat., 961), entitled "An act to enable any State to cooperate with any other State or States or with the United States for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended; to the Committee on Agriculture and Forestry.

By Mr. STERLING:

A bill (S. 4594) creating an immigration board and prescribing the powers and duties thereof and amending the act of February 5, 1917, entitled "An act regulating immigration of aliens to and residence of aliens in the United States," and amending also the act of June 29, 1906, entitled "An act to provide for a uniform rule for the naturalization of aliens throughout the United States and establishing the Bureau of Naturalization," and acts amendatory thereof, and for other purposes; to the Committee on Immigration.

By Mr. WALSH of Montana:

A bill (S. 4595) granting a pension to David H. Russell (with accompanying papers); to the Committee on Pensions.

By Mr. ELKINS:

A bill (S. 4596) for the relief of soldiers, sailors, and Army nurses of the War with Spain, their widows and dependents; to the Committee on Pensions.

By Mr. BALL:

A bill (S. 4597) to amend the act entitled "An act to establish a code of law for the District of Columbia, approved March 3, 1901, and the acts amendatory thereof and supplementary thereto in relation to forcible entry and detainer"; to the Committee on the Judiciary.

By Mr. ASHURST:

A bill (S. 4598) to provide funds for reimbursing farmers on Yuma project, Arizona-California, and to provide funds to operate and maintain the Colorado River front work and levee system of Yuma project, Arizona-California; to the Committee on Irrigation and Reclamation of Arid Lands.

By Mr. GORE (by request):

A bill (S. 4599) conferring jurisdiction on the Court of Claims to adjust the claims between the Otee and Missouri Tribes of Indians and the Omaha Indians to certain moneys received by the Omaha Indians; to the Committee on Claims.

By Mr. SMITH of Maryland:

A bill (S. 4600) to provide for the erection of a public building at Bel Air, Md.; to the Committee on Public Buildings and Grounds.

By Mr. McKELLAR:

A joint resolution (S. J. Res. 221) instructing the Secretary of the Treasury as to settlement of war loans; to the Committee on Finance.

#### THE DEPARTMENT OF JUSTICE.

Mr. WALSH of Montana. Mr. President, I have here a document entitled "Report Upon the Illegal Practices of the United States Department of Justice" made by a committee of lawyers on behalf of the National Popular Government League. I know nothing about the nature of this organization, but the committee comprises lawyers of eminence and learning and standing, among them being Roscoe Pound, dean of the law school of Harvard University, and Tyrrell Williams, acting dean of the law school of Washington University. The report

recites usurpations and oppressions of the Department of Justice scarcely believable. I ask that the report be referred to the Committee on the Judiciary and with it a memorandum describing the personnel of the committee, for such action as the Committee on the Judiciary may care to take with reference to the same.

Mr. KING. Mr. President, I shall not resist the request of the Senator from Montana, but I would like to say that this matter, as I am informed, has been considered by one or more committees of the House. I recall reading a portion of the reply by the Attorney General to these charges. I believe that the charges are without merit, and I think that the record of the hearings before the Committee on Rules, if not another committee of the House, conclusively demonstrates that fact.

The record shows that there are a large number of alien radicals and Bolsheviks and seditionists and enemies to our Government who actively engaged in efforts to undermine our social and political structure. Their activities brought them within the provisions of existing law and called for their arrests and deportation. The Attorney General of the United States attempted to enforce the laws of Congress, and his acts in so doing brought upon his head the condemnation of these aliens and their sympathizers, and a number of persons, some of whom are the attorneys referred to by the Senator from Montana, and they engaged in an extensive propaganda to discredit a faithful, courageous, and able officer of the Government. These attorneys formulated the charges contained in the document just presented by the Senator from Montana.

I think that the Attorney General of the United States in the administration of his office has conducted himself with ability and with integrity and has honored the position which he occupies and has been an honor to the Government.

Mr. WALSH of Montana. I do not think it is any answer at all to the charge that illegal things have been done to say that there are Bolsheviks and anarchists in this country. If there are, they are entitled to whatever protection the law affords, even the most conscienceless and bloodthirsty murderer. They are all accorded certain rights under the law. It is no answer to charges of this character to say that the practices were directed against anarchists and Bolsheviks.

Among other things, charges are made in this document that multitudes of the people against whom these proceedings were directed were not Bolsheviks or anarchists, or anything of that nature, and accordingly an inquiry might very properly be directed to ascertain to what extent the imputation is justly directed against these people. But, even if the charges were found to be sound, I apprehend the Senator from Utah would not assert that they are not entitled to be tried in accordance with the law of the land, and if they have been guilty of any crime to be deported in accordance with the act of Congress, if they are here in violation of such act of Congress, as is asserted in this report. I understand that toward the close of the last session of Congress the matter was under consideration by some committee of the House, not the Judiciary Committee of the House, as I am told, nor any other committee, so far as I am able to ascertain, which could consider the alleged violations of the constitutional rights of the people who are properly in this country.

Mr. KING. Mr. President, just one word. I regret that the Senator from Montana has not acquainted himself fully with the investigations carried on in the House. I regret, moreover, that he has not acquainted himself with the reply which was made to this and other charges by the Attorney General before a committee of the House. I think that if the Senator had been fully advised as to all the facts in the case he would not present the request which he has submitted this morning.

The VICE PRESIDENT. The report and accompanying document will be referred to the Committee on the Judiciary, as requested.

#### JOINT DISARMAMENT OF NATIONS.

Mr. LA FOLLETTE. Mr. President, I present a resolution in the nature of a petition, which I ask to have read.

The VICE PRESIDENT. Without objection, the Secretary will read it.

The Assistant Secretary read as follows:

Resolution passed unanimously at mass meeting of the Women's Peace Society, Milwaukee, Pabst Theater, December 4, 1920.

Whereas the torch of war, if left in madmen's hands within each nation, will lay in ashes our civilization; and  
Whereas the workers of the world, sensing this disaster, are preparing, through their voting power and their "councils of action," to cut off at the sources the engines of destruction; and  
Whereas the women of the world, now come into political and economic power, intend to support the workers in their fight against war:  
Therefore be it

*Resolved by the Milwaukee Branch of the Women's Peace Society in mass meeting assembled, and in support of the workers in their position, as stated, That we do hereby petition the Members from Wisconsin of the United States Congress to use their utmost influence to have our country take the lead among the nations in achieving joint disarmament.*

The VICE PRESIDENT. The resolution will be referred to the Committee on Military Affairs.

#### PROPOSED EMBARGO ON WOOL.

Mr. SMOOT. Mr. President, I have received many telegrams in the form of petitions. I do not intend to offer them all this morning, but they are all along the same line and for the same purpose. The Western Range Stockmen's Association met at Salt Lake City on the 8th of this month and passed resolutions asking Congress to take immediate action in placing an embargo upon wool, woolen goods, and live stock, and stating the reasons for the request.

I simply make this statement by way of petition, hoping that not only the Ways and Means Committee of the House but the Finance Committee of the Senate will take some action at a very early date upon the question of an embargo upon these products.

I wish to say while upon my feet that unless something is done very soon, as far as the wool industry of the United States is concerned, the industry will perish. I do not make radical statements upon the floor of the Senate, and I do not consider it a radical statement that I make now. A most serious condition exists, and if the wool industry is to be preserved in the United States quick action must be taken in order that that may be accomplished.

Mr. WALSH of Montana. Mr. President, I do not know whether the Senator is advised that the Committee on Agriculture and Forestry of the Senate had the matter under consideration and considerable testimony was taken. I am not sure that that committee might not as well review the subject as the Committee on Finance.

Mr. SMOOT. I will say to the Senator that the Committee on Finance day before yesterday was considering the question. Of course, the Committee on Finance thought, as far as an embargo was concerned which affected the revenues of the country, that that was the proper committee to consider the question.

Mr. WALSH of Montana. I do not desire to engage in any controversy concerning the appropriate committee. It is a matter of no consequence to me whether dealt with by one committee or the other, but considering that wool is now on the free list, I can not see that it necessarily falls within the jurisdiction of the Finance Committee. However, the testimony taken before the Committee on Agriculture and Forestry on yesterday can be transcribed for the use of the Finance Committee for what it is worth if they may desire to use it.

Mr. SMOOT. Of course, there is a duty upon manufactured woolen goods, I will say to the Senator, and that involves this same question. Of course, when you place an embargo on wool you must not fail to place an embargo upon woolen goods, because if that alone should be done very little favorable results would follow. But I will not take the time of the Senate to go into any further discussion of it at this time.

Mr. KENDRICK. In support of the statement made a moment ago by the Senator from Utah [Mr. Smoot] with reference to the urgent need of action in behalf of the mutton and wool industries of the West, I ask permission to read a copy of a telegram that has just been received here in regard to the shipment of a trainload of sheep from one of the shipping points in the State of Wyoming.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. KENDRICK. The telegram is addressed to J. M. Wilson, care Raleigh Hotel, Washington, D. C., and is from one of the largest commission houses in the Union Stock Yards. It reads as follows:

UNION STOCK YARDS, ILL.,  
December 9, 1920.

J. M. WILSON,  
Care Raleigh Hotel, Washington, D. C.:

Nineteen hundred and eighty-six ewes sold to Wilson & Co. at 2.10 per hundredweight, average 93 pounds gross proceeds, including 23 dead sheep, \$3,878.11; transportation expenses, including freight, switching, feed charges in transit, and war tax, \$2,804.12; yardage, \$159.84; fire insurance, 70 cents; commission, \$240; attendants' charge, \$20.

\$2,804.12	Total gross	CLAY ROBINSON & CO.	
159.84	-----		\$3,878.11
70	Total charges		3,224.66
240.00			
20.00	Net		2,653.45
			32.67
3,224.66			

The startling thing about this information is the summed-up figures of the cost and fixed charges of moving this shipment of sheep. The total gross proceeds were \$3,878.11, the total charges were \$3,224.66, and the net to the owner was \$653.45.

Mr. SMITH of South Carolina. For how many sheep?

Mr. KENDRICK. For 1,986 sheep.

Mr. SMITH of South Carolina. It would have been better for the owner to have brought them here and sold them for lamb chops.

Mr. KENDRICK. This information clearly shows that proportionately \$5 of the gross receipts went to pay fixed charges and \$1 went to the owner of the sheep as his part of the proceeds.

Mr. WARREN. Did my colleague state what the net proceeds per head were on those sheep?

Mr. KENDRICK. In answer to my colleague, I will say that I omitted to give the net receipts per head for this shipment of stock. They were a trifle over 32 cents per head.

Mr. WARREN. I understand, then, that the total net proceeds to the producer—the grower—was a trifle over 32 cents a head for those sheep, which cost him to raise not less than \$6 to \$8 each per head.

Mr. KENDRICK. It was 32 cents and a fraction per head.

Mr. WARREN. Was that on the Chicago market?

Mr. KENDRICK. Yes.

Mr. KING. May I ask the junior Senator from Wyoming [Mr. KENDRICK] if it is not a fact that there was no other market west of Wyoming to which these sheep could have been shipped where a better price could have been obtained?

Mr. KENDRICK. I assume that the owners selected the market that seemed to be the most inviting at the time they made the shipment. There are other markets west of the Missouri River, certainly; but, for what probably seemed to be very good reasons, the shipment was consigned to Chicago. There is not, as a rule, very much difference in the prices received at any of the various larger markets.

Mr. McCUMBER. If I understand the Senator correctly the producer of the sheep received for each sheep something less than we pay for one lamb chop.

Mr. KENDRICK. In answer to the Senator from North Dakota, I will say that 32 cents would undoubtedly be less than the price charged for a lamb chop.

Mr. McCUMBER. I think I am paying something more than that.

Mr. THOMAS. Mr. President, I have not the letter with me, but I am in receipt of a letter from a merchant whose complaint is that, owing to the decline in prices, his inventory taken at present values would show a distinct and decided loss of something like 40 to 50 per cent of the cost price of his stock of goods. He is unable to make any sales that do not involve a distinct loss to him. I merely mention this as showing that we are all complaining of a universal condition. The difficulty is that just at present the retailer, the hotel proprietor, and others have not as yet been affected to any appreciable degree by these conditions. As the Literary Digest said a few days ago, "the price of wheat has come down all unbeknownst to bread." I am inclined to think that when we realize that we are going through the inevitable process of readjustment consequent upon that reaction which has been coming for a long time, we will hesitate before applying speedy and ill-considered remedies to a universal condition.

Mr. SMITH of South Carolina. Mr. President, in reply to the suggestion of the Senator from Colorado, surely the Senator does not mean to say that he thinks it is a natural condition now confronting the producers of meat, bread, and textiles when the price they are receiving is anywhere from 200 to 300 per cent below the cost of production; so that if they are forced to sell their commodities on the market at the present prices and assume that indebtedness—those who are able to assume it—it will be, under the present conditions, years and years before they will be able to liquidate.

Mr. THOMAS. I do not mean to say that the condition is a natural one in the sense that it is a normal condition, but it is natural in the sense that it is inevitable; it is history repeating itself, perhaps on a larger scale, because the causes bringing it about were larger. It is not unprecedented; it is not unparalleled. It was and has been inevitable; and we can not expect to reach the normal conditions that prevailed before the war except by going through the long, painful, and losing process of readjustment.

Mr. FLETCHER. Mr. President, may I ask the Senator from Wyoming if he will be good enough to give us the separate items of transportation and of the revenue tax, so that we may get an idea of what part of this expense is properly chargeable to transportation? According to the figures as I

caught them, the sheep brought in Chicago more than a dollar a head, but the proceeds were eaten up largely by expenses. The Senator mentioned some of those expenses, but we did not get to the items of transportation and war tax.

Mr. KENDRICK. Mr. President, it will be quite possible to secure those figures in a little time, but it will take probably three or four days to get an itemized statement of the freight, switching, and feed charges, and other costs of shipment. If the Senator wishes it, I will make an effort to secure those figures.

Mr. FLETCHER. I had supposed the Senator had them there.

Mr. SMOOT. Mr. President, the trouble is that cattle and sheep have been shipped to the market faster than it is possible for the market to absorb. I wish to say in this connection that I know that some of the woolgrowers, taking their sheep from the summer range to the winter range, have told bankers in my State, "My sheep are now here; I do not want any expense attached to the foreclosing of the mortgage upon them; come and take them; they are yours; they are all I have, and I want no additional expense incurred in the transaction." That has not happened once, but to my knowledge it has happened a good many times. I say now, as I said before the committee the other day, that I am positive that half of the woolgrowers of the West are bankrupt. I do not know whether or not an embargo will save the other half. South American wools are selling to-day at 9 cents a pound. We to-day have in the United States over 800,000,000 pounds of wool. Not 5 per cent of the last clip of wool in the United States has been sold. It remains in the hands of the growers, or with the commission house of the growers. Many of the growers of the West drew 25 cents a pound upon their wool. The commission men are demanding of them that they return 10 cents a pound upon the wool that they consigned to them. It is impossible for them to comply.

I want to impress upon Senators the real situation. Perhaps you do not like an embargo. I do not either, but I know that it is the only way in which the industry, or part of it, can be maintained.

The situation with regard to live stock is quite different from that with regard to other commodities. Commodities generally can make a loss one year and produce the same crop from the ground the following year; but if you destroy an industry like this, if you allow the female stock that is now going by the trainloads into the markets to be sold for such prices as have just been named by the Senator from Wyoming, it will take 25 years to resuscitate the industry.

I could go on and tell you, Mr. President, of the importations that are taking place. The Cleveland Woolen Mills the other day bought a South American clip of wool that they have purchased for years and years past, 1,500,000 pounds, in round numbers. It cost them 20 cents a pound, with all expenses and commissions paid, delivered at the port of entry. What does that mean? It means to meet that price the woolgrower of the United States can not receive one-half of what it cost him to produce the wool.

There is enough wool in the United States to-day to furnish the American manufacturers with all the wool that they will require, even if the demand for woolen goods should increase 100 per cent from what it is to-day, for nearly two years if there is not a pound of wool produced or imported into the United States.

Mr. KENDRICK. Mr. President, will the Senator yield?

Mr. SMOOT. Yes; I yield to the Senator from Wyoming.

Mr. KENDRICK. Testimony was given before the Committee on Agriculture and Forestry yesterday that there is just about a sufficient supply of wool in this country at this time to provide amply for the needs of the Nation for a period of two years, and we were also informed that there were enormous supplies in other countries that have been unable to transport their wools for the last three or four years; so that with the door left open for these other wools to come into the country the situation is absolutely hopeless for the woolgrower.

Mr. SMOOT. Mr. President, I can say that whoever testified to that yesterday testified to an absolute fact. I do not have to have the testimony that was given yesterday before the Agricultural Committee; I know it. I know the amount of wool in the United States to-day, and where it is located, and I know the amount of wool that is consumed in ordinary times by the American manufacturers; and I say without a moment's hesitation that if there were not another pound of wool produced for the next two years, if there were not another pound of wool imported into the United States for the next two years, there is almost enough wool in this country to-day to supply the requirements of the American manufacturers.

I recognize the fact that there are a few mills in the United States that use a class of wool that is not produced in the United States; but they can be counted on the fingers of one hand, and they have at least enough stock on hand to run for eight months. That is the very finest of Australian wool, with a staple that is not less than 4 inches long. That wool is used in this country for the purpose of making a No. 70 or No. 80 thread, the finest thread that is spun by a woolen mill. On the other hand, there is a long, coarse wool, about 6 inches long, that is used for making the wool linings of men's coats.

I think there is in this country now enough of that class of wool to run at least a year, and all we ask is that an embargo be laid upon wool now so that the wool that is in this country may be used.

What will be the effect of it? It will raise the price of wool to what the manufacturer thinks the duty will be that may be placed upon wool at the next session of Congress, or whenever the new revenue law is enacted.

Mr. KENDRICK. Mr. President—

Mr. SMOOT. I yield to the Senator from Wyoming.

Mr. KENDRICK. I should like to ask the Senator from Utah if he does not think the effect of an embargo, in all probability, would be not to increase the price of wool to the consumer so much as it would be to fix some kind of a value on it, so that the product could be marketed? Judging from my discussion of the question with those who are financially ruined by the situation, the woolgrowers are willing to sell at almost any price, but the difficulty is not a question of price; it is a market of some kind, of any kind.

Mr. SMOOT. The truth of the case is that England outplayed us from the very beginning, following the signing of the armistice. England had an immense stock of wool on hand; of course, there was a great stock of wool in Australia and New Zealand, and shortly our market here was flooded with foreign wools and at prices always just under the prices of the American wools, and the price has been falling right down. There is no market to-day for the American wool. The wools of South America, as I say, are coming in here, and there was recorded the other day a sale of quarter-bloods at 9 cents a pound, and we can not compete with it. Why, last year, in order to get the wool taken from the back of the sheep it cost nearly 4 cents a pound to have it sheared.

Mr. President, this is the morning hour, and I shall not take any more time now; but when this question comes up for discussion in a proper way I hope we may have the attention of the Senate, for I want to call particular attention to just what the embargo means, and what the new proposition means that the manufacturers of the United States are making to the Congress as a substitute.

It is that a charge shall be made upon the importation of all goods into the United States, whether they enter free or whether they are dutiable, of the difference between the exchange value of American money and the foreign money of the country from which the goods were shipped. I will close by saying that if there is a difference of 30 per cent between the exchange value of the American dollar and the English pound, it would mean a 30 per cent charge upon the wools that are imported into the United States. The wool that entered the other day, 1,500,000 pounds, was sold to the Cleveland Woolen Mills at 20 cents a pound delivered at the port of entry, with all expenses paid. Thirty per cent of that is 6 cents a pound; or, in other words, that would make the wool cost to the importer 26 cents a pound. That will never save the industry in the United States; and therefore, when the time comes, I think the only way for us to do, if we are going to save the industry, is to impose an embargo for a limited time.

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator a question before he takes his seat. I was not in the Chamber at the time the Senator began. Has this wool come from other countries than Australia?

Mr. SMOOT. Oh, Mr. President, South America is filled with wool, and—

Mr. HITCHCOCK. Has the Senator any figures as to the quantities?

Mr. SMOOT. I have not the figures here, because I did not expect the discussion to come up this morning; but I can give the figures to the Senator in pounds from every country. The other day I introduced a bill placing an embargo on wool and woolen goods, and the next morning a representative of interests in Argentine Republic was in my office asking me whether I thought that bill was going to pass. He stated that the Argentine was filled with wool, and that they did not know where they could find a market for it unless they could place it in America, and I will say to the Senator that that is the case.

Mr. HITCHCOCK. So the embarrassment has come more from the Argentine Republic than from Australia?

Mr. SMOOT. Oh, no; from Australia particularly, and South Africa, and all of the South American countries.

Mr. WARREN. And New Zealand.

Mr. SMOOT. There is only a little from there.

Mr. HITCHCOCK. I ask the question because I notice, by reference to some figures that I have in my pocket, that the imports of all classes from Australia are materially smaller this year than they were last year; and I was wondering, therefore, how it would be such a serious matter in the case of Australia.

Mr. SMOOT. I want to say to the Senator that to-day there is not 30 per cent of the woolen machinery running in the United States. I mean, taking the country as a whole, there are only about 30 per cent of the looms in operation in the United States now.

Mr. WALSH of Montana. Mr. President, I desire to say to the Senator from Nebraska that the exact figures were given to the Committee on Agriculture and Forestry yesterday by a representative of the Tariff Commission who was present and testified, so that the Senator can obtain accurate information from that source. The fact is that the importations from Australia are mounting up enormously.

Mr. SMOOT. Yes; and I will say to the Senator from Nebraska that the importations are increasing every day, and I have no doubt but that from now on every pound of wool in Australia and South American countries that can be shipped will be shipped, with the hope of arriving here before any action is taken by Congress.

Mr. HITCHCOCK. The figures I have, to which I referred, are official figures, and they embrace all classes of imports. Last year, for the first 10 months, our total imports from Australia were \$49,377,000, and this year for the first 10 months of the year they are less than \$42,000,000.

Mr. WARREN. Mr. President, the Senator from Nebraska will remember that the Government of the United States at the close of the war had on hand some 600,000,000 pounds of wool that it has been putting on the market from time to time, which of course has added to the overload; and a large portion of that wool was bought originally in foreign countries. There is at the present time in the neighborhood of 40,000,000 pounds in the hands of the Government that is thrown on the market from time to time through sales effected by soliciting sealed bids, formerly open bids, and that of course has helped an overload, which has accumulated not only in foreign countries but here at home. The trouble here is not the low price of wool so much as it is that there is no market here for wool.

#### THE FINANCIAL SITUATION.

Mr. McCUMBER. Mr. President, there are quite a few delegations who have been importuning members of the Finance Committee for a meeting to consider the postponement of the December 15 installment of taxes, and also to devise a method of reducing those taxes. I had expected to ask permission, at the close of the routine morning business, to present some figures upon this proposition, so that those interested in the question could for themselves judge whether or not it would be possible for the Congress to grant them the relief they sought. Inasmuch as there are only four days to elapse between now and the 15th, and we do not seem to be approaching the end of the morning business, I am going to ask the unanimous consent of the Senate to present, at this time, some of the figures showing the present financial status of the country, and the necessity for immediate cash to meet immediate needs.

While there has been no meeting and no action by the Committee on Finance, the members of that committee individually have been worked overtime in receiving delegations who, in presenting their urgent appeals for remedial action by the Congress, are reflecting the deplorable condition that is general throughout the country.

There are two features of the general situation where the demand is for immediate relief. The first of these, and most important, is our agricultural collapse; the second, the heavy inventory losses due to rapidly falling prices, for which relief is sought by (a) postponing the December 15 installment of the tax on 1919 profits and income, and (b) by allowing the inventory losses of 1920 to be offset against the profits of 1919, and, to that extent, reducing the amount of the December, 1920, installment. While no one can speak for the final action of the committee, or of the Senate or House, on these proposals, it is eminently proper, and, to my mind, most urgent that the taxpayers directly interested and the country at large be informed at the earliest possible moment of the present financial situation of the country, to the end that they may exercise their own judgment as to the probability or possibility of securing the relief demanded. This is especially true as to the demand

for the postponement of the last installment of taxes, which falls due December 15.

I wish, therefore, to present a most general statement of the conditions of the National Treasury, its immediate obligations, and its cash assets to meet them:

Amount of cash in Treasury Dec. 6, 1920-----	\$160,018,235
Dec. 15 tax installment, estimated-----	650,000,000
<b>Total-----</b>	<b>810,018,235</b>

Turning now to our immediate liabilities:

Outstanding certificates maturing Dec. 15, 1920-----	700,000,000
Maturing Jan. 3-15, 1921-----	300,000,000
Maturing Dec. 15, 1920-----	140,000,000
<b>Total-----</b>	<b>1,140,000,000</b>

Thus, Mr. President, if every dollar of the December 15 installment is paid in full and the last cent in the Treasury, excluding the comparatively small amount that will be secured from general internal revenue sources and which will be far more than offset by the amount paid out for general governmental expenses, there would still be left by January 15 past-due obligations of \$329,981,765.

But even that deficit is based on the assumption that the Treasury is milked dry—is left bankrupt. In making his calculations and estimates the Secretary of the Treasury places cash of \$250,000,000 as the minimum of safety.

Therefore, to keep the Treasury on a safe basis we must add this sum, which brings the deficit or amount which must be raised in some manner to \$579,981,765.

But even this gigantic deficit, which requires immediate liquidation, does not disclose the full truth. There must be added to this whatever sum is necessary to make good deficits growing out of governmental operation of railroads, estimated by the President in his annual message at \$650,000,000, bringing the total deficit immediately confronting us to \$1,229,981,765.

Mr. President, this is the situation, and it is the deficit that meets our immediate gaze. But it is not the end of our difficulties.

The Secretary, in his annual report, directs our vision along a vista including two fiscal years, or two and a half calendar years, from the 1st day of January next. He leaves us with a deficit on June 30, 1921, of \$2,000,000,000, and on June 30, 1922, of nearly \$1,500,000,000.

I ask to have printed the report for these two fiscal years:

#### FINANCIAL STATEMENT.

[From report of Secretary of the Treasury for the year ended June 30, 1920.]

On page 273 and following is a summarized estimate of receipts and expenditures for the fiscal year 1921, as follows:

Balance in Treasury June 30, 1920-----	\$359,947,020.33
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Estimated receipts:

Ordinary-----	\$5,739,565,000
Public debt-----	60,193,375

<b>Total-----</b>	<b>\$5,799,758,375</b>
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Estimated expenditures:

Ordinary-----	4,851,298,931
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Public debt (including \$2,509,550, 500 certificates of indebtedness outstanding maturing within year, but not including Pittman Act certificates)	3,063,443,584
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<b>Total-----</b>	<b>7,914,742,515</b>
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Excess of estimated expenditures over estimated receipts-----	2,114,984,140.00
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Estimated deficit in general fund June 30, 1921-----	1,755,037,119.67
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Estimated amount necessary for balance in general fund June 30, 1921-----	250,000,000.00
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Estimated gross deficiency June 30, 1921-----	2,005,037,119.67
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Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. McCUMBER. Certainly.

Mr. KING. Do the figures which the Senator has just stated contemplate any reimbursement to the railroads or contemplate the payment by our allies of any portion of the interest upon the \$10,000,000,000 loaned them?

Mr. McCUMBER. No. However, in the statement which I have given, and which I stated was not taken into consideration in the Treasurer's estimate, was the sum of \$650,000,000 to be paid to the railways, as shown by the message of the President of the United States.

Mr. SMOOT. Mr. President—

Mr. McCUMBER. I yield to the Senator from Utah.

Mr. SMOOT. I will say to my colleague [Mr. KING] that these figures do not include any deficiency appropriations which may be made between now and June 30, 1921.

Mr. KING. I understand.

Mr. McCUMBER. We do not know what they will be.

Mr. SMOOT. Whatever sum they amount to will be added to this deficit.

Mr. McCUMBER. I wish now to give the figures for the fiscal year 1922.

Mr. KING. If the Senator will pardon me, of course, in view of this enormous deficit plus the present condition of the country, it is apparent that this Congress ought to use the ax wherever possible and prune the appropriation bills, which will soon come before the Senate.

Mr. McCUMBER. That is one of my purposes in giving this early statement of the situation.

#### Fiscal year 1922.

Estimated deficit in general fund June 30, 1921 (as above)-----	\$1,755,037,119.67
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Estimated receipts:

Ordinary-----	\$4,859,530,000
Public debt-----	60,200,000

<b>Total-----</b>	<b>\$4,919,730,000</b>
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Estimated expenditures:

Ordinary, exclusive of expenditures on account increased compensation of Government employees, of expenditures additional compensation in Postal Service, and of expenditures on account of new construction in Navy-----	3,897,419,227
Public debt-----	465,854,865

<b>Total-----</b>	<b>4,363,274,092</b>
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Excess of estimated receipts over estimated expenditures-----	565,455,908.00
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Estimated deficit in the general fund June 30, 1922-----	1,198,581,211.67
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Estimated amount necessary for balance in the general fund June 30, 1922-----	250,000,000.00
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Estimated gross deficiency June 30, 1922-----	1,448,581,211.67
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Now, Mr. President, the estimated receipts and disbursements for the year ending June 30, 1922, do not include deficits which must be taken care of during the coming year. The President estimated for the railroads \$650,000,000. As nearly as I can learn, this deficit, when all claims are in, will be nearly double that amount, or about \$1,125,000,000.

On October 31, 1920, there were still outstanding and unpaid tax certificate obligations of the Government due from December 15, 1920, to March 15, 1921, of \$506,527,500. If we carry the tax certificates to September 15, 1921, the total will be \$1,782,040,000. If we include the loan certificates which become due within the year, this total will amount to \$2,629,432,950. I call attention to page 22 of the report of the Secretary of the Treasury.

Here is an important feature which we ought to take into consideration. About \$4,250,000,000 of Victory notes mature May 20, 1923, \$800,000,000 of war-savings certificates mature January 1, 1923, and \$2,347,000,000 of loan and tax certificates mature within the year. Within a period therefore of about two and one-half years, ending May, 1923, there will become due and payable \$7,500,000,000 of Government war obligations. I call attention to page 23 of the Secretary's report.

It is worthy of note that the Secretary bases his estimate of the deficit which will exist on June 30, 1922, on the assumption that our revenue for that fiscal year will be \$4,859,530,000, or nearly \$5,000,000,000. I do not wish to take a gloomy view of our industrial prospects, but if 1921 as a whole is not a most decided improvement over the last two months of 1920 this revenue will not be one-half of that sum.

Now, with these great deficits, both near and far, staring us in the face we are striving to find some way by which we can relieve the agricultural situation. We hope for some kind of relief through a revival of the activities of the War Finance

Corporation. While wheat and wool are pouring into this country in unprecedented volume, driving down the prices of the American product to half the cost of producing it, we are about to ask this War Finance Corporation in some way to finance the bankrupt countries of Europe so we can export our wheat to them. If we were business men—possibly I ought not to say “and not statesmen”—we would follow our business instinct and we would at least close the intake to our tank while we were struggling to empty the tank through the spigot. But of that hereafter.

We are now considering the financial situation. What the farmer needs is money to live on until he can get a half living price for his crop. What the country bank needs is money to loan this farmer.

Mr. President, in my State 23 banks closed during the past three weeks. These banks were all, with one exception, I think, in a section of the country where there have been crop failures, whole or nearly whole, for three or four years.

During each of those years the banks of this section have had to extend credits over the former years until they themselves can secure no further credits from the reserve banks. Many other banks would have been closed except for assessments upon stockholders.

Where can we get the money? The testimony of Mr. Harding, governor of the Federal Reserve Board, taken before the Committee on Agriculture and Forestry, on the whole is to the effect that the reserve banks have extended their credit as far as they can safely do so; that if they were to further extend those credits and the present conditions should continue, it might endanger our whole banking system.

Mr. GRONNA. Mr. President—

Mr. McCUMBER. I yield to my colleague.

Mr. GRONNA. I hope my colleague will not get the impression that the 23 banks closed had been extended credit from the Federal Reserve Board, because that is not the true condition.

Mr. McCUMBER. No; they are State banks.

Mr. GRONNA. None of them belong to the Federal Reserve System.

Mr. McCUMBER. I am speaking now of the general plan to get money to finance the situation in these agricultural sections. That must come from these Federal reserve banks.

Now, if these banks can not supply associate banks with money sufficient to tide over the agricultural depression, how can these same banks furnish the money to a foreign people to buy these farm products? For, after all, what these farmers must have, and what these country banks must have, is money, and the credit that is not backed by cash somewhere in the background is not a very reliable credit.

So it would seem to me that so far as the agricultural situation is concerned, the first, the real, the sensible thing to be done is to close the intake pipe, stop the importations, and give the American farmer exclusively the American market so long as he can supply that market at living prices.

Mr. KING and Mr. NELSON addressed the Chair.

The VICE PRESIDENT. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I yield first to the Senator from Minnesota.

Mr. NELSON. Would not that result in depriving the people of Europe of the purchasing power to purchase our products? If Europe can sell nothing to this country, how can they be in a position to buy our products freely? Has the Senator considered that matter?

Mr. McCUMBER. Oh, Mr. President, there is no question but what we can not continue to universally trade with a country where the balance of trade is always in our favor and against that country unless that country can get a balance of trade somewhere else. But our first and impending duty now is to take care of our own people if we can. They can not sell their products. We are seeking through a governmental board to provide means by which we can export these products to foreign countries when, as a matter of fact, the same products are coming into this country in unprecedented quantities.

Why, I call the attention of the Senator from Minnesota to the fact that during the month of October alone about 10,000,000 bushels of wheat, including flour, crossed the Canadian line for Minneapolis. During the month of November I am informed that that will run at least to 12,000,000 bushels.

Now, we are seeking to export this wheat to Germany and Austria and to finance those countries in some way so that they can buy our exports and thereby relieve the depression, when the depression is growing continually by enormous imports into the United States.

I now yield to the Senator from Utah.

Mr. KING. Mr. President, I was interested in the suggestion of the Senator that the proposition had been made that we finance the European nations so that they might purchase our products. I wish to invite the attention of the Senator to the fact that the manufacturers and producers of the United States have extended to Europe approximately \$4,000,000,000 of credit during the past year or two. Unless there is a rehabilitation of Europe quite speedily, unquestionably many of our producers who have extended that credit will not only suffer great loss, but in many instances it will be irreparable loss.

I was wondering if the Senator intends to discuss, before concluding, the manner by which we should finance Europe. It seems to me that if any financing is to occur by which they are to purchase our products we must do something that will put the European people to work, so they will have something with which to purchase. If they do not have money or products with which to buy we can not, it seems to me, finance Europe in the hope, in the end, of receiving back the amount which we have advanced to them.

Mr. McCUMBER. I know there is a great deal in that; but we can not use our cash to put those people to work while our own people are being put out of work, and there is the great difficulty. It is the depression in our own country that we must look out for first, and thus give our own people in the United States an opportunity to earn a living, irrespective of its final effect upon any other country.

Mr. DIAL. Mr. President—

Mr. McCUMBER. I yield to the Senator from South Carolina.

Mr. DIAL. I should like to ask the Senator from North Dakota if these State banks had joined the Federal association would they not have strengthened their borrowing capacity, and naturally would not that have relieved the situation, or helped to relieve the situation?

Mr. McCUMBER. It is barely possible that if some of those State banks were in the association they might in the past have received some assistance in credit, but I doubt if they could receive any to-day, even if they were associated, because one of the banks in my State, I notice, that has just closed its doors was a member of the association. There are a sufficient number of national banks members of the association to relieve the situation in that section of the country, provided they could get the credit from the Federal reserve banks.

Mr. DIAL. Probably the reason why they could not get the credit was that they wanted the money on paper that was not eligible for rediscount.

Mr. McCUMBER. Undoubtedly that plays an important part, but the real trouble is that credit has been so expanded that the presidents and the boards of control of the Federal banks feel that with falling markets they must keep their reserves up and their credits down in order to be perfectly safe.

Mr. SIMMONS. Mr. President, do I understand the Senator from North Dakota to argue that the situation in which the wheat growers find themselves in this country would be relieved if we were to place an embargo upon foreign wheat and not permit any further importations into this country?

Mr. McCUMBER. Certainly; the situation would be greatly relieved but not fully relieved. The Senator can see for himself that a million bushels a month would have been a large importation from Canada under ordinary conditions. In the month of October there were about 10,000,000 bushels, including the flour, that were imported free of duty into the northwestern markets. Canada has had a splendid crop. During that month wheat dropped about 60 cents a bushel, just at the time that the Canadian wheat was coming in. With another 12,000,000 bushels in December, and at that rate of importation for a few months, we shall have all the Canadian export wheat in the United States, and we shall then be compelled to find an export market not alone for the American surplus but also for an additional amount equal to the Canadian surplus.

Mr. SIMMONS. The Senator, then, attributes the fall in the price of wheat somewhat to those importations?

Mr. McCUMBER. Oh, yes; to a great extent.

Mr. SIMMONS. But, at the same time, I understand the Senator as saying that if those importations had not taken place, and if those importations are not permitted in the future, still the situation in which the wheat growers find themselves would not be relieved?

Mr. McCUMBER. Oh, it will not be completely relieved. We are having a period of depression, and the wheat growers and every other business must stand that; but a complete embargo against importations would greatly relieve the situation.

Mr. SIMMONS. There is no way to relieve that condition, which would exist and be unremedied even by an embargo?

Mr. McCUMBER. Not completely to relieve it, I will admit, but we are seeking in some way to palliate the trouble as much as possible. And if we can relieve it one-half we should not hesitate.

Mr. SIMMONS. Is it not a fact that, leaving out the question of importations altogether, we produced last year, as we have generally produced in past years, a very large excess over the demands of this country?

Mr. McCUMBER. That must be qualified. As to the production of a certain kind of wheat which was used for a certain kind of flour, yes; of another kind of wheat, which is raised extensively and, indeed, almost exclusively in the States of North and South Dakota, eastern Montana, and Minnesota, no; because they have not raised a sufficient amount this year of the latter kind to meet the demands of millers for that character of wheat for their trade. That is the kind of grain that is coming over from Canada.

Mr. SIMMONS. And if that character of wheat sells at a low price, that is reflected in the price of the other kinds of wheat, is it not?

Mr. McCUMBER. Oh, yes; certainly.

Mr. SIMMONS. Then the crux of the matter is that an embargo will not relieve the situation; that it is necessary in some way or other to stimulate exportations of wheat? Is that not true?

Mr. McCUMBER. Mr. President, I am in favor of both propositions. While I doubt if we shall get very much assistance from the renewed activities of the War Finance Corporation, I am hopeful that they will have a tendency to help to some extent. I therefore would favor its revival, and I would favor every possible measure that would tend to help the situation. To my mind, however, the embargo is far more important than any other proposed remedy.

Mr. SIMMONS. But the other is absolutely essential in order to stabilize prices, is it not?

Mr. McCUMBER. No; I do not think it is absolutely essential. I hope it will help to stabilize the prices and assist us some way in our connection with exports.

Mr. SIMMONS. I was apprehensive, Mr. President, from the remarks of the Senator up to the time of my interruption that he was going to oppose a revival of the War Finance Corporation as a means of helping exportation.

Mr. McCUMBER. Far from it. I am in favor of as many remedies as we can possibly put through that hold the slightest promise.

Mr. SIMMONS. Mr. President, if the Senator will permit me in his time to draw a parallel between the wheat situation and the cotton situation I shall be very glad now to do so.

Mr. McCUMBER. If the Senator will allow me one moment I shall be through, and then I shall yield the floor to the Senator.

Mr. SIMMONS. I will only take a minute.

Mr. McCUMBER. Very well.

Mr. SIMMONS. The Senator from North Dakota has shown to us that an embargo upon importations of wheat would greatly relieve the wheat situation. In that particular the cotton situation differs entirely and fundamentally from the wheat situation.

Mr. McCUMBER. That is true.

Mr. SIMMONS. No embargo upon cotton will affect the cotton situation in the slightest degree.

Mr. McCUMBER. Because we import practically no cotton.

Mr. SIMMONS. Because we export cotton and do not import any except some Egyptian cotton. The only thing that can relieve us is to provide some means by which we can export to Europe the same proportion of our cotton products that we have been heretofore doing.

I have seen some suggestions in the newspapers that this year we have exported during the last few months about the same quantity as we did last year. That may be so, Mr. President, but our exports during that same period of time as compared with our exportations in normal times is as three to one.

Mr. McCUMBER. But, Mr. President, the principal object of this address is to reach the ear of those who are asking favors of the Government. We want every man and every corporation who must be called upon to remit for taxes to look not alone upon their own discomforts but also upon the country's dire need. We want the soldier who is asking for immediate action on a bonus bill to exercise patience and forbearance, and to understand the grave financial difficulties that confront Congress. And we want our appropriation committees to cut to the bone and to keep appropriations down to the limit of the

bare necessity of government. This is no time even to dream of new governmental projects which will call for Treasury disbursements.

Mr. President, I have a copy of a letter from the Secretary of the Treasury written in response to a letter from Mr. FORDNEY, chairman of the Committee on Ways and Means of the House of Representatives, pertaining to the matter of extending the time of payment of the December 15 installment of income and profits taxes and also in regard to offsetting the inventory losses of 1920 as against 1919 profits. The Secretary of the Treasury very fully discloses why that would seem to be an impossibility. I will ask that the letter written by Mr. FORDNEY and the answer of the Secretary of the Treasury may be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered. The letters referred to are as follows:

NOVEMBER 19, 1920.

HON. DAVID F. HOUSTON,  
The Secretary of the Treasury, Washington, D. C.

DEAR MR. HOUSTON: The Committee on Ways and Means is in receipt of numerous communications from taxpayers referring to declining values and resulting inventory losses during the taxable year 1920. Complaint is made of inability or difficulty in raising money to meet the December 15 tax installment, and action is urged to postpone payment of the December 15 installment of income and profits taxes under certain conditions and legislation is advocated by them to extend the "net loss" provisions of the revenue act of 1918 to the year 1920. I would be pleased to receive any suggestions or recommendations you may see fit to make in this connection.

Very truly, yours,

J. W. FORDNEY.

THE SECRETARY OF THE TREASURY,  
Washington, D. C., November 20, 1920.

HON. J. W. FORDNEY,  
Chairman Committee on Ways and Means,  
Washington, D. C.

DEAR MR. FORDNEY: I received your letter of November 19, 1920. I am glad to have this opportunity of stating the Treasury's views on the two proposals which have been made to you by certain taxpayers. The first is to postpone the payment of the December 15 installment of income and profits taxes. The second is that the "net loss" provisions of the revenue act of 1918 be extended to the year 1920, presumably to permit the deduction of inventory losses during the taxable year 1920 from the net income for the taxable year 1919, with re-determination of the 1919 taxes accordingly. Similar suggestions have recently come to the Treasury. The agitation for these changes in the law is doing much harm, and, from the point of view of the Treasury, it is important that the situation be made clear.

As you know, the revenue act of 1918 provided for the payment of income and profit taxes in four quarterly installments due on March 15, June 15, September 15, and December 15. The taxes due on December 15, 1920, represent chiefly the final installment due in respect to income and profits of the taxable year 1919. Taxpayers have already had nearly 12 months' grace as to this final installment and have had every opportunity to make provisions for its payment by setting up the necessary reserves or purchasing Treasury certificates of indebtedness. The Treasury Department, moreover, has adjusted its financial program to the tax payment dates provided by the revenue act of 1918. There are outstanding nearly \$700,000,000 of certificates maturing on December 15, 1920, and an additional \$300,000,000 mature on January 3 and January 15, 1921. On December 15 there will also become payable the semiannual interest on the first Liberty loan and the Victory Liberty loan, aggregating about \$140,000,000. To meet these heavy maturities of principal and interest and at the same time provide for the current requirements of the Government, enlarged as they are by the extraordinary burdens imposed upon the Treasury in connection with payments to the railroads, the Treasury relies chiefly on the income and profits taxes payable on December 15. This installment is not expected to exceed \$650,000,000. The Treasury must finance its further requirements, so far as they are not covered by ordinary current receipts, through issues of Treasury certificates of indebtedness. It would be impossible to defer the payment of the December installment of taxes without forcing the Treasury to offer Treasury certificates in prohibitive amounts.

Moreover, to extend the time for the payment of the December 15 installments would simply mean that the Treasury would, in effect, be financing private business, which should provide for itself through ordinary banking channels, if necessary. In this respect the proposal is not different from those insistently made to the Treasury during the last few months, that Government funds be made available in various sections of the country to finance the holding of commodities or for the export of goods to Europe.

The suggestion that the "net loss" provisions of the revenue act of 1918 be extended to the year 1920 is equally impossible from the point of view of the Treasury. Under the present revenue law the Treasury receives in the year 1920 taxes based on the income and profits of taxpayers during the year 1919. The whole financial program of the Government requires that the Treasury be able to rely upon the collection of these taxes. No change should be entertained which would render uncertain the bulk of the Government's tax receipts and perhaps result in heavy claims for refunds with consequent increases in the public debt and additional short-term financing. There is, furthermore, no reason in fairness why taxpayers who made profits in 1919 and became liable to pay taxes on the basis of those profits should now be permitted to throw upon the Government the burden of losses incurred in the conduct of their own businesses in the year 1920.

The Treasury must of necessity promptly meet the Government's bills. If uncertainty is to be introduced now into the tax payments upon which the Treasury principally relies, it clearly will be impossible for the Government to finance itself.

Very truly, yours,

D. F. HOUSTON, Secretary.

Mr. McCUMBER. I also ask, Mr. President, to insert as a part of my remarks certain tables covering the points I have discussed.

The VICE PRESIDENT. Without objection, it is so ordered. The tables referred to are as follows:

Amount of cash in Treasury Dec. 6, 1920.....	\$160,018,235	
Dec. 15 tax installment, estimated.....	650,000,000	
Total.....		\$810,018,235
Outstanding certificates maturing Dec. 15, 1920.....	700,000,000	
Maturing Jan. 3-15, 1921.....	300,000,000	
Maturing Dec. 15, 1920.....	140,000,000	
Total.....		1,140,000,000
Deficit (with empty Treasury).....	329,981,765	
Minimum Treasury safety balance.....	250,000,000	
	579,981,765	
Railway-operation deficit.....	650,000,000	
Total deficit.....		1,229,981,765

## FINANCIAL STATEMENT.

[From report of Secretary of the Treasury for the year ended June 30, 1920.]

On page 273 and following is a summarized estimate of receipts and expenditures for the fiscal year 1921, as follows:

Balance in Treasury June 30, 1920.....		\$359,947,020.33
Estimated receipts:		
Ordinary.....	\$5,739,565,000	
Public debt.....	60,193,375	
Total.....		\$5,799,758,375
Estimated expenditures:		
Ordinary.....	4,851,298,931	
Public debt, including \$2,509,550,500 certificates of indebtedness outstanding maturing within year, but not including Pittman Act certificates.....	3,063,443,584	
Total.....		7,914,742,515
Excess of estimated expenditures over estimated receipts.....		2,114,984,140.00
Estimated deficit in general fund June 30, 1921.....		1,755,037,119.67
Estimated amount necessary for balance in general fund June 30, 1921.....		250,000,000.00
Estimated gross deficiency June 30, 1921.....		2,005,037,119.67
Fiscal year 1922.		
Estimated deficit in general fund June 30, 1921 (as above).....		\$1,755,037,119.67
Estimated receipts:		
Ordinary.....	\$4,859,530,000	
Public debt.....	60,200,000	
Total.....		\$4,919,730,000
Estimated expenditures:		
Ordinary, exclusive of expenditures on account increased compensation of Government employees, of expenditures account additional compensation in Postal Service, and of expenditures on account of new construction in Navy.....	3,897,419,227	
Public debt.....	465,854,865	
Total.....		4,363,274,092
Excess of estimated receipts over estimated expenditures.....		565,455,908.00
Estimated deficit in the general fund June 30, 1922.....		1,198,581,211.67
Estimated amount necessary for balance in the general fund June 30, 1922.....		250,000,000.00
Estimated gross deficiency June 30, 1922.....		1,448,581,211.67

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

Mr. McCUMBER. Certainly.

Mr. SIMMONS. I assume from the statement of the Senator that the majority members of the Finance Committee have conferred about this matter and that they have reached—

Mr. McCUMBER. They have not conferred as a committee, of course—

Mr. SIMMONS. Well, informally.

Mr. McCUMBER. But the Republican members have informally met a few times and discussed a number of situations.

Mr. SIMMONS. And they have determined that there shall be no action and can be no action for the purpose of extending the time of payment of the next installment, due in December, of the income and profits taxes?

Mr. McCUMBER. No; Mr. President, they have not so determined, because that determination would have to be made by the committee. There has simply been a discussion among a few of the Republican members.

Mr. SIMMONS. They have decided that they will not do anything to bring that matter before the Senate for action, have they not?

Mr. McCUMBER. Oh, I think that is not correct, because I think the matter will come up before the committee, and the committee will undoubtedly have a meeting in a very short time to consider it. I am not presenting these figures on behalf of the committee nor on behalf of any members of the committee, but I am presenting them so that those who are interested in the postponement of the payment of the taxes due in December may know that in all probability the request can not be granted.

Mr. SIMMONS. Does the Senator mean that the committee will be called together before the 15th of December?

Mr. McCUMBER. I hope so.

Mr. SMOOT. Mr. President, I wish to say to the Senator from North Carolina that, so far as I am personally concerned, I think the business interests of the United States ought to be advised at once—

Mr. SIMMONS. That is exactly what I am trying to have done.

Mr. SMOOT. That the Government of the United States can not extend the time for the payment of the taxes which fall due on December 15, and, so far as I am concerned as a member of the Finance Committee, I am ready to say that we can not do it, and I believe that the business interests ought to know it. Therefore I make this statement.

Mr. SIMMONS. Mr. President, I entirely agree with the statement made by the Senator from Utah. I do not think it is practicable to extend the time, and I was trying to make it plain and clear that it could not be done and would not be attempted, so that the business interests of the country might know now, finally, that no effort in that direction will be made.

Mr. McCUMBER. That is my reason for presenting this argument, to show how impossible it will be. Of course the committee must finally determine that question for itself.

Mr. SIMMONS. That is true, and also as to the proposition with reference to allowing inventory losses.

Mr. McCUMBER. Yes. I think the report by the Secretary of the Treasury is a complete answer to the request.

Mr. SIMMONS. Mr. President, will the Senator permit me to ask him a question of another character?

Mr. McCUMBER. Certainly.

Mr. SIMMONS. The Senator in his very clear and comprehensive financial statement informs the Senate and the country that on the 30th day of the coming next June we will be confronted with a deficit of something over \$2,000,000,000, as I understood him, and that on the 30th day of June, 1922, we will be confronted with a larger deficit.

Mr. McCUMBER. No; with a somewhat smaller deficit.

Mr. SIMMONS. Then, I misunderstood the Senator.

Mr. McCUMBER. I make this statement, of course, from the estimates furnished by the Secretary; I am not giving my own but the Secretary's estimates.

Mr. SIMMONS. That presents, of course, a very serious situation, and I want to inquire of the Senator, who is the acting chairman of the Finance Committee and who, I understand, has informally conferred with his colleagues in the majority, if he has himself individually or in conjunction with his associates on the committee in the majority considered the feasibility of utilizing a part of the indebtedness of foreign governments to us in liquidation of this enormous deficit?

Mr. McCUMBER. I have not—I do not know whether any other members have discussed that subject—because I have felt that it was impossible for any of the foreign governments

to pay their debt now. I understand that they are not even paying the interest on it—I am not certain as to that—

Mr. SIMMONS. I think that is true.

Mr. McCUMBER. And, of course, if they are not paying the interest, we can hardly ask them to pay the principal in liquidation.

Mr. SIMMONS. That is undoubtedly true, Mr. President. But is it not also true that it is possible to get this indebtedness, or at least a large part of this indebtedness, reduced to a form which we might use as security for the purpose of raising the necessary money?

Mr. McCUMBER. We have got the obligations of the governments now, and I know of no form of an obligation that is better than a Government bond.

Mr. SIMMONS. We have not got Government bonds.

Mr. McCUMBER. Whether we have Government bonds or Government agreements, we have the strongest known obligation.

Mr. SIMMONS. The Senator is mistaken about that; that is the trouble; I do not think we have any Government bonds.

Mr. SMOOT. We have the I. O. U's of the foreign governments; that is all.

Mr. SIMMONS. We have their I. O. U's, and that is all.

Mr. GLASS. We have their demand obligations, which can not now be paid, but negotiations are pending for putting those obligations into the form of long-time obligations.

Mr. McCUMBER. Those obligations bear interest the same as our own securities, and that is why I spoke of them, not really as bonds, but as Government obligations that are just as safe as though they were Government bonds.

Mr. SIMMONS. I am not at all clear in my mind that any use can be made of these securities when they are put in proper form to help us out of the distressing condition in which the Treasury finds itself; but I wanted to suggest to the Senator from North Dakota, the acting chairman of the Finance Committee, that the matter ought to be very seriously considered. It is possible, it may be probable, that we might reduce the bonds of certain of these Governments, like those of Great Britain, to a form in which we might use them at some time during the period between now and the 30th of June so as to help us liquidate this deficiency.

Mr. McCUMBER. I am in favor of having an early meeting of the committee and inviting the Secretary of the Treasury to be present, and seeing what we can do along that line.

Mr. SMOOT. Mr. President, I have taken the position, of course, that as long as the Governments owing us money can not pay the interest on their obligations, the Governments can not pay the obligations themselves.

Mr. SIMMONS. Of course not.

Mr. SMOOT. I have also taken the position that the individuals of these different countries are in no state whatever to purchase the obligations, and in fact I doubt whether we can sell them at all to any foreign country.

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

Mr. SMOOT. Yes.

Mr. SIMMONS. If we could not sell the obligations to foreign countries, could we not sell them to our own people?

Mr. SMOOT. I was just coming to that. I was about to say that therefore if we put them in a position whereby they could be sold in small quantities, the only purchasers would be American investors. I have my doubts as to whether that would assist the Government very materially. Whatever money was used for the purchase of these foreign obligations by American investors of course would be diverted from the investment of the same funds in some other way, and it may be that it would be of very little assistance in the situation as it exists to-day.

The Senator referred to the fact that they could use them as security for the issuing of more Federal bank notes. That is true, Mr. President. I think Congress could authorize that, and that we could issue more Federal bank notes upon this indebtedness of foreign countries; but we have lots of security already in this country that we could use as collateral for that purpose if we want to increase that kind of money.

Mr. KING. We are expanding our credit too much now.

Mr. SMOOT. In other words, as I said before, I never shy at the word "inflation." I knew that that is what we would have to come to, and that is where we were, and that is where we are; and the only question would be, if we issued further Federal notes upon this security it would be an expansion of the currency of the United States and would be further inflation. That is the way I look at it.

#### FINANCING OF AGRICULTURAL OPERATIONS.

Mr. GRONNA. I ask unanimous consent that Senate joint resolution 212 be taken up for consideration by the Senate.

Mr. SMOOT. Before that is done I desire to suggest the absence of a quorum, because there are some Senators who want to be present when the joint resolution is taken up.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Glass	Lodge	Smith, Ariz.
Ball	Gronna	McCumber	Smith, Ga.
Beckham	Hale	McKellar	Smith, Md.
Borah	Harris	McLean	Smith, S. C.
Brandegsee	Harrison	McNary	Smoot
Calder	Heflin	Nelson	Spencer
Capper	Henderson	New	Sterling
Chamberlain	Hitchcock	Norris	Sutherland
Colt	Johnson, Calif.	Nugent	Swanson
Curtis	Kellogg	Overman	Thomas
Dial	Kendrick	Phipps	Townsend
Dillingham	Kenyon	Poinexter	Trammell
Fernald	King	Pomerene	Underwood
Fletcher	Kirby	Ransdell	Walsh, Mont.
France	Knox	Sheppard	Warren
Gay	La Follette	Simmons	

Mr. HARRISON. I wish to state that my colleague [Mr. WILLIAMS] is necessarily absent; also that the Senator from South Dakota [Mr. JOHNSON] is absent owing to illness.

The VICE PRESIDENT. Sixty-three Senators have answered to the roll call. There is a quorum present.

Mr. GRONNA. I renew my request for unanimous consent that Senate joint resolution 212 be laid before the Senate and proceeded with.

The VICE PRESIDENT. Is there objection?

Mr. THOMAS. Mr. President, I have no objection to taking up this joint resolution at the present time; but I received a copy of the hearings only this morning. So far as I have been able to read them they seem to me to be of great importance. I expect to say something upon this measure, but in view of the bulky nature of the hearings I do not think I shall be able to read them to-day. Upon the understanding that if I am not ready this afternoon the matter will go over until to-morrow, I have no objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 212) directing the War Finance Corporation and the Federal Reserve Board to take certain action for the relief of the present depression in the agricultural sections of the country, which was read, as follows:

Whereas there exists in the agricultural sections of the country unprecedented and unparalleled distress on account of the inability of the farmers to dispose of the corn, wheat, cotton, live stock, and other commodities now in marketable condition at prices that will pay the cost of production; and

Whereas the people of Europe are in dire need of the agricultural products now in possession of the farmers of this country, but are unable to purchase on account of existing financial conditions; and

Whereas, under an act of Congress, there was established the War Finance Corporation for the purpose of financing the exportation of American products to foreign markets; and

Whereas the activities of the War Finance Corporation were suspended in May, 1920, by an order of the Secretary of the Treasury; and

Whereas the banks of the country are unable to extend credit to the farmer in order that the farm products may be held until they can be sold in a fair and reasonable market: Therefore be it

Resolved, etc., That the Secretary of the Treasury and the members of the War Finance Corporation are hereby directed to revive the activities of the War Finance Corporation, and that said corporation be at once rehabilitated with the view of assisting in the financing of the exportation of agricultural products to foreign markets.

SEC. 2. That the Federal Reserve Board is hereby directed to take such action as may be necessary to permit the member banks of the Federal Reserve System, in accordance with law and consistent with sound banking, to grant liberal extensions of credit to the farmers of the country upon the security of the agricultural products now held by them, by permitting the rediscounting of such notes of extension at the lowest possible rate of interest.

Mr. DIAL. Mr. President, certainly the time has come when we must do something to relieve the agricultural situation in this country. I am just as far from being in favor of paternalism as any man in the United States. I do not think that it is for the best interests of this country for our people to come to depend upon the Government for help in normal times. It is a bad precedent. But, Mr. President, these are abnormal times, and we are living under abnormal conditions; and I felt many, many months ago that it was the duty of this Government to restore the War Finance Corporation.

It is not very good taste, Mr. President, to say "I told you so"; but when Congress adjourned in June I thought I could see financial trouble ahead, certainly a great deal of it for my section of the country. I therefore remained here and took up with the Secretary of the Treasury the question of the War Finance Corporation resuming operations. At that time the South had something like 3,000,000 bales of cotton which

we carried over last season. A great deal of that cotton was off grade, and there was no market for it. During the war the Government had its goods made out of the best grade of cotton, and some of the best customers for that grade of cotton have been out of the market for many years. Then, with the new crop coming on, I thought I could see where we would have a great deal of trouble in getting rid of what we had on hand. Therefore I thought it was very important to restore relations with the different countries of the world which used our cotton, and get it out of this country as fast as possible.

The Secretary of the Treasury did not think that was necessary. At that time prices were reasonably good. But they commenced to decline at once, and kept on declining. I came back to Washington in August and took the matter up again with the Secretary of the Treasury, and he was still of the same opinion. At that time I conferred with all of the Senators who were here whom I could find, and the Senator from Florida [Mr. FLETCHER], the Senator from North Carolina [Mr. SIMMONS], and I wrote a letter to the President, which I desire to include in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

AUGUST 16, 1920.

The PRESIDENT.

*The White House.*

MY DEAR MR. PRESIDENT: We desire to call your attention to the condition of the farmers in this country and ask your help. For various reasons the growing crop has been and will be a very expensive one. Labor was scarce and high, fertilizers were high, and everything that goes into the making of a crop seems to be at excessive figures. Owing to the congested condition of the railroads, the money situation, and the state of exchange, a great deal of the last crop has not been disposed of. Some time ago the War Finance Corporation ceased to take on new business. We now desire to ask you to authorize this corporation to resume active operations. We are not desiring the Government to engage in business which the citizens should carry on. In ordinary times and under usual conditions we would not make the above request. A few months ago some of us mentioned the matter to the Secretary of the Treasury, but at that time he did not see the necessity of taking on new business. We called at his office the other day, as we desired to present the matter to him again, since conditions had greatly changed within the last 60 days. Within this time wheat has declined something like 60 cents per bushel, oats and corn in proportion, and cotton about 8 cents a pound. In fact, all agricultural products are moving slowly, and this in the face of the harvest rapidly approaching.

During the war the Government ordered its supplies of cotton goods made out of the higher grades; furthermore, of course, Germany and Austria, and even other countries, could not receive their usual amounts of American cotton. Therefore there is a great quantity of off-grades staple in the South, for which there is practically no market. For example, low middling cotton is quoted at 10 cents a pound, or \$50 a bale, under middling. The next grade is nearly \$100 a bale under middling. At present it seems that the growing crop will be a very large one and perhaps prices will continue to decline.

During the war the agricultural interests of this country did all they could to buy bonds and otherwise support the Government in every financial way, with the expectation that the Government would continue to aid them to market their crops to the best advantage until world conditions should become settled and normal. If it would require a bond issue to accomplish this we certainly would not make the request. The loans desired are temporary and would soon be repaid. We are informed that there are about 153,000,000 spindles in the world and that a large majority of these are idle.

We understand that various European countries are exceedingly anxious to purchase our cotton and other agricultural products, but that it is essential that they shall receive some indulgence. The manufacturing interests of Czechoslovakia have been particularly called to our attention, as they desire to buy directly from our exporters, on credits indorsed by their banks and guaranteed by their Government, and further agree to hold the product in trust for payment of the purchase money.

We are strongly of the opinion that the War Finance Corporation should resume operations, at least so far as agricultural products are concerned.

The corporation while operating did considerable business and more was being rapidly offered. Czechoslovakia especially was a very promising customer. We have been urged by our constituents, and also by friends of some of the Central European countries, to present the urgency of this matter strongly to the President.

To our certain knowledge a great number of farmers purchased bonds and they borrowed money from the banks to carry these, expecting to pay for them when they disposed of their cotton. You are doubtless aware, Mr. President, that the farmers lose annually millions of dollars because they have not had the opportunity of learning in its modern phases the complex art of marketing to the best advantage. By enabling foreign countries to purchase our surplus supplies our warehouses will be relieved so that they will be prepared to handle the next crop, and customers will be enabled to pay their obligations to the banks, thereby taking up their bonds, keeping these securities off the market, and preventing them from being sacrificed. By this course every interest in this country and abroad would be benefited. Supplies will be placed where they are needed and many idle people of the world will be enabled in part at least, to pay their obligations. By giving people employment the spread of unrest and bolshevism will be checked. We have been recently impressed more than ever with the fact that it takes both time and credit to restore a war-stricken world.

We know of no grander work than aiding farmers to make their employment successful. If some relief is not granted, many of them will face bankruptcy. Just the knowledge that other markets have been opened to their products will greatly stabilize conditions. We respectfully urge your immediate consideration of this suggestion and believe that if you will authorize the measure proposed great good will immediately follow.

Respectfully,

F. M. SIMMONS,  
DUNCAN U. FLETCHER,  
N. B. DIAL.

Mr. DIAL. Commodities still continued to decline, and the American Cotton Association had a meeting here and appointed a committee to see the Secretary of the Treasury. I was on that committee, and I again had a conference with him, and he still adhered to the same opinion.

Mr. President, as I said before, I do not believe that it is the right thing for citizens of this country to appeal to the Government for help in case they can help themselves or in ordinary times. But I felt that we were justified in coming to the Government and asking relief, for the reason that during the war all good people of this country bought all the bonds they could possibly carry, and they expected help from the banks. I know in my section of the country they subscribed very largely, and they had the cotton on hand, and they expected the Government to let the War Finance Corporation function until they got rid of that commodity and until we would be able to turn that commodity into cash and pay our debts.

We had great quantities of cotton in the warehouses and were paying storage on it; the banks were carrying paper, and the Government bonds were in the banks. If we could have found a market where we could have sold our cotton, we would have paid the debts to the banks, and the Government bonds would have been taken out, thereby stabilizing the price of these Government securities.

If a bond issue had been necessary to do that, I would have said no. But all we need is just a little banking capital, in transit, as it were. It would be but a few months after we started to export the cotton until it would be made into goods and the goods turned into cash. So I felt that the people of this country had a right to expect the Government to let the War Finance Corporation continue to function, because it was established to meet just such an emergency as arose this summer.

Mr. President, being unable to persuade the Secretary of the Treasury to change his mind, on October 26 I wrote the President another letter, which I desire to include in my remarks.

The VICE PRESIDENT. Without objection, it will be so ordered.

The letter referred to is as follows:

OCTOBER 26, 1920.

The PRESIDENT.

*The White House.*

MY DEAR MR. PRESIDENT: I feel it my duty to again call your attention to the condition of the agricultural interests of this country and ask you to restore the War Finance Corporation.

While we all were prepared to expect some reductions in prices, yet they have gone far below anything dreamed of, and our people are losing millions of dollars daily, while other countries are buying our products at bargain-counter prices.

The War Finance Corporation is the only Government agency that can help immediately, and the good people of this country have a right to expect this to be done.

I discussed this matter with Secretary Houston at length on three different occasions, and I must say that he does not comprehend in the least the situation, or he does not desire to assist the American producer, and I feel that it is absolutely useless for anyone to confer with him further on the subject. I am satisfied beyond question that he is making more Republican votes than Senators HARDING and LODGE put together. In fact, I look upon the situation as desperate and appalling. The Republicans charge us with not letting the country be prosperous even when it is in our power to do so.

I have conferred with pretty much all the leaders of our party here, amongst them Senators UNDERWOOD, HITCHCOCK, SIMMONS, ROBINSON, FLETCHER, and others, together with a number of Cabinet officers, and I have not yet found a single man who does not agree that the War Finance Corporation should resume operations at once.

The people of this country almost unanimously would approve and applaud your action in granting the above request.

Yours, truly,

N. B. DIAL.

Mr. DIAL. Now, we find that all agricultural products have declined greatly. Cotton has gone down from 43.5 cents to something like 15 cents a pound. We have heard the discussion of the wool market here to-day. We know wheat has declined from \$3 a bushel to something like \$1.50 a bushel, and corn from \$2.30 down to something like 40 cents a bushel. So I feel, Mr. President, that it is not open to debate any longer, but that we should act, and act quickly, because the whole country is becoming embarrassed, not only the producers, but the banks and everyone else, and whatever relief we have to offer we should immediately put into operation.

Mr. President, I gave out a short interview some time ago which I desire to include in my remarks. It was along this line, that if the banks of this country would join the Federal Reserve Banking Association they would thereby strengthen the association and aid themselves to borrow money and carry the commodities until they could get a better price for them.

The VICE PRESIDENT. Without objection, the matter may be printed.

The matter referred to is as follows:

NOVEMBER 12, 1920.

Senator DIAL was to-day interviewed and asked whether or not he had any further information or suggestion that would benefit the people of the South in marketing their cotton. He replied that he had had

correspondence and conferences with representatives of practically every country in the world which manufactures cotton, and he was sorry to say that the universal cry was "no money." He sent names of various of these parties to exporters in the South and to the new export companies which are forming for their consideration.

The Senator said it is no longer a question of debate; the time is upon us when we will have to revolutionize our method of marketing; that heretofore Europe had money to buy cotton and New York was also flushed with funds with which to aid in exporting; that conditions have changed; that European countries were without funds and that New York people could use theirs at a greater profit elsewhere than in the South, and the South would have to find a market and help finance the exporting of its cotton; that he was informed spinners in some of the countries could give satisfactory paper, but this is a matter which will have to be decided as each case presents itself.

He said that he had noticed with pleasure and delight the progress that is being made in forming at least three export and kindred export companies in the South; that he hoped the entire capital of these companies would be subscribed without delay.

He stated that in order to do business cash was desirable, but the next best thing was credit, and this could be obtained in the following manner:

There are in South Carolina 82 national banks, with total resources of \$139,971,000; there are 379 State banks, with total resources of \$203,155,000; that only 16 of these State banks, with total resources of \$17,061,000, were members of the Federal Reserve System; that State banks which are not members of the Federal Reserve System did not have privilege of rediscounting their paper with said system; hence there were in South Carolina 363 State banks, with resources of \$186,094,000, who were not entitled to the privilege of the Federal Reserve System, against 98 national banks and State banks, with resources of \$146,123,000, whose paper was eligible for rediscount.

Therefore, the way for us to help ourselves was for all of these State banks to become national banks, or at least join the Federal Reserve Banking Association, in which event the borrowing capacity would more than double the amount that at present is allowed banks in South Carolina. If this should be done in South Carolina and a similar procedure adopted all over the South, the question of marketing cotton gradually would in a measure be solved.

The Senator said he hoped at an early date to see all banks take this course, and by so doing it would not only strengthen the Federal Reserve Banking Association but would greatly increase their own usefulness and aid their customers in innumerable ways.

Mr. DIAL. For instance, in South Carolina there are only 82 national banks, whereas there are 379 State banks, and only 16 of the State banks are members of the Federal Reserve Banking Association. Not half the banking capital of our State is represented in the membership of the banking association. So if they would convert themselves into national banks, they would be in position to have their paper rediscounted at all times.

We have heard here to-day about the banks in North Dakota failing. I am sorry for anybody who fails. It is a very dangerous proposition when banks begin to fail. But I am informed that only one of those banks was a national bank. I want to appeal to the banks of this country to support the Federal Reserve Banking Association. I am a great friend of that institution, and had it not been for it this whole country would have been in bankruptcy; possibly we could not have won the war. I was surprised to learn a short time ago that there were more banks in the South, in our district, in the fifth district, not members than in any other section of the country, and down there we need credit.

So the time has come, Mr. President, when the people of this country must help themselves. While I believe it is right that the Government should restore the War Finance Corporation, yet I do not believe in letting them operate very long, only until conditions become normal. We should turn our attention to helping ourselves, and I am glad that in the South we are going to do that. We are forming down there now an American Export & Import Co., with a capital of several million dollars, with headquarters in South Carolina, under the most competent management, and we are preparing to ship our goods to where they are needed.

We are also forming a bank, under the Edge bill, with something like \$5,000,000 capital, with a proposed capital of \$10,000,000. That is going to aid very much. We are also forming other export companies.

We will have to learn to help ourselves, Mr. President, and one way we can do it is by forming these export companies. I am glad that there is a meeting in Chicago to-day where they proposed to form a hundred-million-dollar concern.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator yield to the Senator from North Carolina?

Mr. DIAL. I yield.

Mr. SIMMONS. I want to ask the Senator if he believes those export corporations to which he is referring can properly function unless this War Finance Corporation is reinstated and enabled to furnish them the necessary funds?

Mr. DIAL. Not fully and successfully. I feel it would help some, but I feel that they are the kind of an institution which would get help from the War Finance Corporation.

There is some misapprehension about our extending credit to European countries.

Mr. SIMMONS. But the question I desired to ask the Senator was whether he thought it was feasible for them to function so as to accomplish the purpose and object of their corporation without some means of raising money through these banks.

Mr. DIAL. Not fully. They could help only in a small degree, but they would help much more if we would restore the War Finance Corporation. Then we could get somewhat adequate results.

I was going to say that there was some misapprehension about our desiring to lend money to these foreign countries. Probably we have already loaned those countries enough money. But the proposition in connection with the restoration of the War Finance Corporation is not to lend money to those countries, but to lend money to our exporters, and they will stand between the Government and danger. We do not need so much money, to my mind, as we need some guarantee company, or something like that, which will stand between the individual producer and the mills of the world.

I do not know that it is possible for the Government to go into guaranteeing, but if the farmers of the South knew where to sell their cotton, if they knew that the debt would be eventually paid, they would have no objection to crediting the purchaser, and through the War Finance Corporation we can lend a small amount to the exporters, and that would help carry the debt along. What we need is to put that cotton into the hands of people so that they can go to work. We have the commodity and it is doing us no good. It is almost a liability; we are paying storage on it; we are paying interest on the money. The Government has the assets, the Government has the ships, and the ships are becoming idle, and we want to put those ships to use. In Europe they have the mills, and a great many of the mills are intact; they were not destroyed during the war. They have the labor, and the demand is there for the goods, and I feel that we ought to put the people of this country and of the world back to work. There ought to be more work. That is the foundation of money, and that is the way to put people on their feet. If not put to work, they will be here again and forever asking for help.

We see now all about over the world that the idle are walking the streets; they are not producing and making a living for themselves; and if they do not do that, then they will be here with their hats in their hands asking us to support them. I feel we should take a lesson to ourselves now and try to encourage every man in the world to go to work.

Here is a commodity doing nobody any good, and the demand of the world is for it, and if those people put their labor into the product the manufactured product would be worth much more than the raw material, and thereby they would create wealth.

Mr. President, I believe that we ought not to hesitate a day to pass the resolution to restore the War Finance Corporation. It is not only for the help it would do the country by the actual money assistance; but, as the Senator from North Carolina [Mr. SIMMONS] says, it will enable these other corporations to function, and the psychological effect of it will be wonderful. The world will say then that these commodities have gone low enough and we must begin to lay in our supply. The mills of this country and the people who use these commodities will say, "They have gone low enough and we must begin to purchase." Then we will turn these declining prices upward.

The people in my country are becoming bankrupt almost daily. It is a sad state of affairs.

I do not believe in finding fault unless we have a remedy to suggest, and I feel that the first remedy we have to suggest is to aid the people of the world to go to work. I feel that the results of this war possibly are good in some respects, but I feel we have acquired a good many false notions as a result of the war. We have the idea of helping every man, and we have a good deal of this flubdub stuff of short hours and do nothing and support the other fellow or let him come to the Government and get support if he can not get it anywhere else.

When we provide the people of the world with implements and work they will work out their own salvation. I believe one of the highest callings in life is to aid a man to help himself. If we do not, but go on and dole out a little money, it would be like the story of the Irishman, who said, "Faith, I don't believe it is fair for some people to have so much and some so little. I think we should have a divide."

And he was asked, "Pat, what difference would it make to you if you had some money? You would get drunk and spend it. What would you do then?"

He said, "Faith, I would want to divide again."

So that is the result of giving people something. The idea is to put these people to work and let them have the raw commodity with which to work.

Another way we can help ourselves besides organizing these export companies—and certainly the time has come when we down South should organize more of them—we should organize a strong export company, at least one in every State. Our banks would be glad to exchange farmers' notes for the notes of the export companies indorsed by the farmers. Therefore we would need very little cash money.

Another thing, Mr. President, Europe is in a very chaotic condition. We can not put Germany to work. Our good friend, France, stands there, and the reparation commission does not fix the amount of the indemnity, and the Germans are not ready to go to work. I have had some of them call on me to see about buying products. But they can not start real restoration of prosperity in that country until they know what the amount of the indemnity will be. I feel kindly to France, but I believe we did everything in the world France could expect, and there is no use for France to sit here now and keep the world in its present condition by not going on and fixing the amount of the indemnity, so that Germany can go to work in earnest and help pay it.

It occurs to me that France is trying to do the impossible; that she wants Germany to pay her debts and at the same time she is not willing for Germany to get the raw materials with which to work.

Another thing, Mr. President, I understand that Russia is in the market for a large amount of raw products. They want something like 500,000 bales of cotton, and they have the means to pay for it. Yet our country is not dealing with Russia. We are waiting on account of some indefinite notice that France gave about some of the funds having been purloined, or something of that sort. But I noticed in the papers within the last day or two that England had perfected an arrangement whereby she will trade with Russia. So I think these cobwebs ought to be knocked out of the way so that we can get into trade with the whole world without caring anything about whether we recognize the Governments or not.

I think the time has come when the people of the world ought to have what they need to go to work with. I heard the Senator from North Dakota [Mr. McCUMBER] say to-day that in the next two and one-half years there will be something like \$250,000,000 of Government obligations maturing. The time has come when we should help our people get back on their feet so they can begin to prosper. If we throttle enterprise and kill industry, after a while there will be nobody left in this country to pay taxes. The amount that we have maturing here shows that we ought to go to work and enable our people to convert their useless commodities into cash and help the country become prosperous again as it should be, so I hope that we will restore the War Finance Corporation at once.

I want to say that I do not much believe in the second section of the resolution. I think that is indefinite and possibly weakens the proposition. I am not particular myself whether that is adopted or not. I rather believe it would add strength to leave it out.

I have great faith in the Federal Reserve bank system and no doubt it will extend credit all it can, but I want to say that the Federal Reserve Board does not lend a dollar. That is a matter for the regional bank to attend to. The people at home have gotten a little hysterical and have gotten stampeded a little bit. Sometime ago there was a gentleman from one of my neighboring States here before one of the committees, the president of a bank, very much excited, and I asked how much his bank owed and how much it had borrowed. I am the president of a bank myself and I know a little bit about borrowing. He said he had not borrowed any except a little bit on Government bonds. I told him he was not needed in Washington, that his place was back in his own State lending the farmers money and helping to carry their cotton a while. I said, "Go on and send your paper in to the bank. There is no use to worry about these people here. They do not pass on the paper. That is done by your regional bank."

If the banks of the country would be careful and take the right kind of paper, the paper that is prescribed by law, and send it in to their home bank, there is no question about it being rediscounted. I never had any trouble. The people in my community do not have any trouble with the right kind of paper.

Pretty much everyone except the retailer has taken his losses and is ready to go to work in earnest. The retailers, I hope, will soon see their way clear to mark off their losses and meet conditions as they exist.

So I feel that things are very blue, but they could be worse, and our own salvation is in our own hands. It is the duty of the people of this country to turn their attention to production. I feel that in the meantime it is nothing but right that the Government should help them temporarily until they can

get on their feet again by disposing of their surplus commodities. We almost had a contract with the Government to expect that much. We bought securities believing that they would allow the War Finance Corporation to continue to function. I hope the resolution will pass to-day.

During the delivery of Mr. DIAL's speech,

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (S. 3944) to create a Federal live stock commission, to define its powers and duties, and to stimulate the production, sale, and distribution of live stock and live-stock products, and for other purposes.

Mr. GRONNA. I ask unanimous consent that the unfinished business be laid aside.

Mr. KENYON. Temporarily.

Mr. GRONNA. That it be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. GRONNA. I ask that the Senate proceed with the consideration of Senate joint resolution 212.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Senator from South Carolina will proceed.

After the conclusion of Mr. DIAL's speech,

Mr. SMITH of Georgia. Mr. President, the Committee on Agriculture and Forestry has unanimously recommended this resolution embodying, first, a definite direction that the duly constituted authorities resume the activities of the War Finance Corporation, and, second, a direction that the Federal Reserve Board take such steps as are necessary to permit the rediscount of farm paper on as liberal terms and at as low rates of interest as are consistent with sound banking. The second section is not really directory; it is suggestive of the opinion of the committee that further relief would be proper; but the first section is mandatory. It directs the officials in charge to operate the War Finance Corporation.

The original War Finance Corporation act created that corporation while the war was going on. The corporation was created with limited authority. It could only help finance enterprises or individuals engaged in producing for the Government war supplies or banks that were financing such institutions. That part of the act has ceased to be effective because we are having no war supplies made, now that the war is over.

About the 1st of March, 1919, we amended that act and gave new powers and duties to the War Finance Corporation. We charged it with the duty of helping extend our exports after the war was over, and we provided for the continuation of this work by the War Finance Corporation for 12 months after the proclamation of peace.

We provided that the War Finance Corporation could issue and make loans up to a billion dollars, limited, however, to helping carry credits necessary for exports, either directly aiding the exporters or the banks who were aiding exporters. The War Finance Corporation rendered a great service during the war. It did it at an expense of \$388,000 and at a net profit of \$26,000,000.

Mr. THOMAS. The Senator means at an expense of \$388,000,000, does he not?

Mr. SMITH of Georgia. No; an expense of \$388,000, with a net profit of \$26,000,000.

It aided a number of enterprises, it helped to finance banks that were financing enterprises, and it gave courage to industries on account of the fact that here was this powerful institution, the entire stock of which was owned by the Government, with an ability to raise \$3,000,000,000, authorized to help carry these industries with loans longer than the banks would carry, authorized to aid the banks in carrying their own loans to these individuals, taking a place that the banks properly could not take.

Now, Mr. President, the thought in the spring of 1919 was that this institution could perform another great service for our country. It required but little vision to realize that many of our former markets would be practically closed even after the war was over, on account of the fact that the industries in those markets would be unable to finance the purchase of raw materials and other supplies in the way that they were financed prior to the war. The war, of course, stopped many trade routes, but the increased demand upon industry during the war temporarily occupied all industries, all plants, and all labor, even beyond the demand placed upon them in the prewar period. But with the close of the war, and with the cessation of these war demands for supplies a collapse to a certain extent was inevitable. The vision contained in this legislation was that the War Finance Corporation could help stimulate a resto-

ration of currents of trade and a utilization of markets which, again opened with the close of the war, would not be in a position to handle the necessary purchases to restore at once normal trade.

Primarily the object was to serve our own people, to furnish markets for our raw material, to furnish markets for the products of the farm, the products of the mine, the products of the factory, going to people who, on account of conditions produced by the war, could only buy on long-time credits—credits that exporters would not be prepared to give; credits that banks would not be prepared to give. So Congress saw fit to continue the work of the Finance Corporation, and, according to the provisions now in section 21 of the act which was passed in the spring of 1919 as an amendment to the original act, the War Finance Corporation was authorized to make loans and to help finance to the amount of a billion dollars those directly engaged in exports or those financing others directly engaged in exports.

The new power given to the War Finance Corporation was limited to helping furnish the necessary credits to carry our exports. Sixty per cent of the copper produced in this country formerly was exported. A large part of it before the war went to middle Europe. Zinc was exported; iron ore was exported; agricultural implements were exported. Indeed, 12 months before the war about 80 per cent of our exports were included in agricultural implements, corn, wheat, wheat flour, breadstuffs, automobiles, copper, cotton, cotton cloth, electrical machinery, fruits, meats, and dairy products, iron and steel and manufactures thereof, mineral oils, vegetable oils, tobacco, wood and the manufactures thereof, leather and the manufactures thereof. The most varied lines of products were exported. The bulk of the raw material went to Europe. Our two chief customers, our two largest customers, were Great Britain, and Germany, Germany being just behind Great Britain.

Mr. KING. Is the Senator from Georgia now speaking of raw materials?

Mr. SMITH of Georgia. Yes; I am speaking of raw materials.

Mr. KING. Because Canada was and is a very large consumer of our manufactured products.

Mr. SMITH of Georgia. I said "raw materials."

Austria also was a very large customer for our raw materials. It was perfectly clear that the industries of central Europe would not be in a position to restore current trade routes from here to them by the consumption of the raw material which they used prior to the war, nor would their people be able to buy the foodstuffs, which in many instances they needed, except on long-time credits. It was a happy conception that the War Finance Corporation, which did such splendid service to help strengthen production of war supplies during the war, should continue after the war to restore trade routes, and reestablish markets cut off during the war.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER (Mr. FLETCHER in the chair). Does the Senator from Georgia yield to the Senator from Colorado?

Mr. SMITH of Georgia. I do.

Mr. THOMAS. If my memory serves me aright, the War Finance Corporation was created in the spring following the armistice.

Mr. SMITH of Georgia. The Senator is mistaken. The Finance Corporation was created in the early part of 1918.

Mr. McKELLAR. On April 5.

Mr. SMITH of Georgia. On April 5, 1918.

Mr. THOMAS. My authority for the statement is Mr. Eugene Meyer.

Mr. SMITH of Georgia. Mr. Meyer could not have made that statement. The Senator from Colorado will find that he is mistaken. Mr. Meyer said in March, 1919, the amendment was added to the act creating the War Finance Corporation authorizing it to aid in the export business.

Mr. THOMAS. I accept the Senator's statement.

Mr. SMITH of Georgia. I am sure Mr. Meyer could not have made the statement attributed to him by the Senator from Colorado.

Mr. THOMAS. I may have misread his statement.

Mr. SMITH of Georgia. Yes; or the printer may have made a typographical error.

Mr. KING. Mr. President, if the Senator will pardon me, I think the original act was approved on April 5, 1918.

Mr. SMITH of Georgia. Yes. The amendment was made in March, 1919.

Mr. KING. On March 3.

Mr. SMITH of Georgia. Yes. Even in that short time, during the war and just after the armistice, in those six months the War Finance Corporation handled \$750,000,000 of Liberty bonds and Victory notes, \$825,000,000 of Treasury certificates, and financed, or helped to finance, a large number of industries and banks that had reached a point where they needed help. It used practically no money from the Treasury. It now has credit upon the books of the Treasury for about \$375,000,000 that has never been drawn from the Treasury except to purchase Government obligations.

Mr. HITCHCOCK. Mr. President, I think this situation exists at the present time. I think the certificates have been surrendered and that the Treasury has used the money.

Mr. SMITH of Georgia. The Treasury used the money all the time as it saw fit. I said it was simply a bookkeeping credit.

Mr. HITCHCOCK. I think the testimony of the Secretary of the Treasury was that the affairs of the corporation were so far wound up that the certificates of deposit in the Treasury from the proceeds of its bond sales were surrendered, and that at the present time it has no credit in the Treasury.

Mr. SMITH of Georgia. I think the Senator is mistaken.

Mr. GRONNA. Mr. President, will the Senator from Georgia yield to me?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. SMITH of Georgia. I yield.

Mr. GRONNA. I want to call the attention of the Senator from Nebraska [Mr. HITCHCOCK] to the third annual report of the War Finance Corporation, under date of November 30, 1920, which shows that there was a balance due from the Treasury of the United States on November 30, 1920, of \$374,313,493.89, practically the amount that the Senator from Georgia has stated.

Mr. SMITH of Georgia. I have taken my figures from the third annual report of the War Finance Corporation.

Mr. HITCHCOCK. If the Senator will permit, I was basing my statement in part on the testimony of Mr. Meyer, which I heard, which is found on page 21 of the hearing before the Agricultural Committee, as follows:

There is \$370,000,000 on deposit in the Treasury for the War Finance Corporation. I would not like to see that money used. The Secretary has used it already for general purposes. He canceled the War Finance Corporation's holdings of Treasury certificates. He used them to reduce the debt—which is not much of a way to reduce the debt.

Mr. SMITH of Georgia. The War Finance Corporation still has to its credit the amount of money in the Treasury, because there has been no action by the corporation officially winding up its affairs. It can not be wound up as yet, and it has not been wound up as yet, and no authority was vested in the Secretary of the Treasury to withdraw the balance in its favor.

Mr. McKELLAR. Mr. President, if the Senator will yield, I think the matter can be cleared up by what Secretary Houston says on page 44 of the recent hearing, as follows:

Senator NORRIS. Mr. Secretary, has the War Finance Board any money now?

Secretary HOUSTON. It or the Treasury would have to borrow.

Senator NORRIS. It has not anything?

Secretary HOUSTON. No; except a credit on the books of the Treasury.

Senator NORRIS. Did it have a surplus?

Secretary HOUSTON. There were certain amounts deposited in the Treasury.

Senator NORRIS. Then it has all been paid back?

Secretary HOUSTON. No; certain loans are outstanding.

Senator NORRIS. Do you know how much that has been?

Secretary HOUSTON. The amount deposited in the Treasury? No; I would have to look it up.

Senator NORRIS. Quite a large sum?

Secretary HOUSTON. That will be available very soon when the annual report is out, but I do not recall it offhand.

Mr. HEFLIN. Something over \$300,000,000?

Secretary HOUSTON. I think so.

Mr. THOMAS. Mr. President, if the Senator will permit me, Mr. Meyer, on page 21, says:

There is \$370,000,000 on deposit in the Treasury for the War Finance Corporation. I would not like to see that money used. The Secretary has used it already for general purposes. He canceled the War Finance Corporation's holdings of Treasury certificates. He used them to reduce the debt, which is not much of a way to reduce the debt.

I think that statement is reconcilable with that of the Secretary.

Mr. KING. Mr. President, will the Senator permit me to make an observation with a view to eliciting information?

Mr. SMITH of Georgia. I yield.

Mr. KING. I am anxious to get the Senator's views as to the modus operandi by which if this bill shall be passed money may be obtained for the purpose of financing American industries or exporters or manufacturers.

Mr. SMITH of Georgia. I will give that to the Senator in just a little while.

Mr. KING. Very well.

Mr. SMITH of Georgia. I have about reached that point, and I will do so now.

I do not think there is any difficulty about the War Finance Corporation getting all the money needed. It has the right to issue under the amendment a billion dollars of its own paper. There was no trouble in floating its own paper before. We have no idea of asking for any bond issue by the Government. It used little money from the Treasury during the war; in fact, it helped the Treasury more than it called on the Treasury to help it. Payment for its capital stock was largely a matter of bookkeeping. It raised the money with which it operated principally by the sale of its own notes, and that can be done again and done easily.

Mr. KING. Will the Senator permit a further interruption?

Mr. SMITH of Georgia. Yes.

Mr. KING. Does the Senator think that they would have been able to have negotiated their own notes if they had not, to use his expression, had the "potential force" of the Treasury of the United States behind them and an appropriation of \$1,000,000,000? The original bill called for \$500,000,000. Suppose there had been no appropriation at all and the corporation had merely been authorized—

Mr. SMITH of Georgia. Oh, I want \$500,000,000 back of them; I want them reinforced by the potential power of the Government. It is the use of that potential power that makes the activities of this corporation of value to the whole people of the country.

Mr. KING. Then, it means that the Government of the United States will guarantee a billion dollars, if the corporation shall issue that much of its paper or notes or bonds or whatever form the security may take. The Government of the United States is to guarantee the amount and the purchasers of the paper are to understand that the Government of the United States is back of the paper.

Mr. SMITH of Georgia. It does not mean that; it means this: The corporation has a capital stock of \$500,000,000; it has a surplus of \$26,000,000 as a result of its operations. It has, therefore, a capital of \$526,000,000. It will issue its notes backed by that capital, and its notes will be perfectly good because they will be backed by its capital, and its loans will also be based on good security given by borrowers. Its obligations will be from exporters who are sound, backing the advances by good securities, and the credit papers which it will hold will be those of banks which have advanced money to exporters. Just as it worked satisfactorily before the war, so can it now function without calling on the Treasury for a dollar.

Mr. GLASS. Mr. President, may I ask the Senator to explain what the Secretary of the Treasury meant by this testimony on December 3, found on page 44 of the hearings:

All the money it—

The War Finance Corporation—

has had, it received from the Treasury, earned, or borrowed.

Mr. SMITH of Georgia. Well, that is not true. My answer is that it sold or disposed of \$200,000 of its own paper, and it did not receive that from the Treasury.

Mr. SMITH of South Carolina. The Secretary said "earned or borrowed."

Mr. SMITH of Georgia. But he said "received from the Treasury," and the War Finance Corporation did not receive all it used from the Treasury.

Mr. HITCHCOCK. Mr. President, if the Senator will permit an interruption, I think the statement quoted still remains practically true. Originally, the United States Government subscribed \$500,000,000 to the capital stock of this corporation. That was Treasury money. On the faith of that money the corporation borrowed two or three hundred million dollars.

Mr. SMITH of Georgia. Oh, I never questioned that.

Mr. HITCHCOCK. So that the funds which they received were either Treasury money originally, or money borrowed upon the faith of Treasury money.

Mr. SMITH of Georgia. Borrowed upon its capital paid in.

Mr. HITCHCOCK. Yes; that is right.

Mr. SMITH of Georgia. I stated that emphatically, and I stated that I wanted to have its capital now back of it, furnished by the Government, to enable it to serve the people of this country.

Mr. KING. Mr. President, will the Senator yield?

Mr. SMITH of Georgia. I yield.

Mr. KING. I am asking for information, because I want to know just what the security is and who is to offer it.

I understand the last statement of the Senator to be that he wants the capital of the Finance Corporation back of the loans. That capital must be paid by the Government of the United States. It can not be a mere bookkeeping transaction. The Government must provide the capital. Now, I ask the Senator, Where is the five hundred millions or the one billion dollars that is to constitute the capital of this corporation to come from, unless the Treasury of the United States goes out now and borrows the money?

Mr. SMITH of Georgia. It will not have to borrow it.

Mr. GLASS. Mr. President—

Mr. SMITH of Georgia. I do not want to yield further just now. I want to go on now a little further. For the last half hour I have not been able to proceed with my discussion. I will yield in a moment.

Mr. GLASS. I beg the Senator's pardon for the interruption I made.

Mr. SMITH of Georgia. I beg pardon. Go ahead with the question. I have not yet answered the last question, however.

Mr. GLASS. It simply occurred to me, in connection with the inquiry made by the Senator, that I should like to present what the Secretary of the Treasury said in his examination on December 3 as to the process.

Mr. SMITH of Georgia. I beg pardon, if that is what the Senator wishes to present. If it is a question he wants to ask me, all right. I am familiar with what the Secretary said, and that may be used at any time by anyone who wishes to discuss it.

Mr. GLASS. Very well.

Mr. SMITH of Georgia. The original corporation had a capital subscribed by the Government of \$500,000,000. It used only a small portion of the money. The money principally remained in the Treasury, nearly all of it, and was used to meet Government expenses. The money was not laid aside in a pile and taken away from the other funds of the Treasury. It had a bookkeeping credit, and so it will now have its bookkeeping credit with the Treasury and will not, I believe, call on the Treasury for funds, and there will not be a bond sold to raise money to put in the Treasury to carry the corporation. It will have that liability of the Government back of it to help give it a credit and a standing, just as it had before. It has, in addition to that, the \$26,000,000 of profit that it has already made in its business.

It is lending the Government credit to the War Finance Corporation to help take care of a responsibility and of an interest involving the people of the entire country, which, by reason of the war we have gone through, can not be handled in the ordinary way, can not be met by ordinary banking. And just as this corporation, with its reserve strength and reserve power to aid industries and banks, was an inspiration to give them courage, to enable them to act with force and power, so it was contemplated that the War Finance Corporation, with the privilege of extending loans to the amount of \$1,000,000,000 to help carry the credits necessary for the export of our trade, would give courage, confidence, and backing both to banks, to exporters, and to those aiding in financing exports. The psychological effect alone of the War Finance Corporation resuming work will be most helpful.

In the short time after the passage of the act of March, 1919, the War Finance Corporation made substantial contributions toward financing our exports, and at the time of its suspension it had applications to aid in financing a hundred millions of exports. In March or April of this year, just before the Secretary suspended the operations of the War Finance Corporation, our exports exceeded our imports by \$300,000,000. In August of this year they fell to \$60,000,000, a lower figure than at any time since October, 1914.

Is there a condition in our country which calls for a broader market for the products of the toil of our people? A story has been presented to the Committee on Agriculture and Forestry which shows that the need of these broader markets is not sectional. It is nation-wide, and it goes further. It shows that the loss of markets for the sale of commodities, largely those taken from the soil, either by the farmer or by the miner, has paralyzed the purchasing power of the people of those sections, and, paralyzing the purchasing power of a large part of our domestic purchasers, the condition reaches on to the manufacturers in the East and the manufacturers in the middle section of our country, and they are closing down and discharging their employees from the loss of their domestic market, which has been lost largely by the loss of our foreign market.

If we can do something to broaden our exports, we shall not only aid in relieving immediately the condition of the agricultural and mining sections, the products from which are moved,

but we shall aid in restoring among them the markets that have consumed so much of our domestic production in manufactures. Let me illustrate by cotton how it works.

The export market for cotton is largely reduced. The purchasing power of the people of the cotton-growing States is largely removed. They have practically no market for the sale of cotton. Business almost ceases in this section, comprising one-fourth of our entire country, and the buying power of that section stops. The manufacturers of the East and of the Middle States lose their customers, and as they lose their customers and suspend operations again the cotton producer loses his customers even at home; and so it works in a circle. On the other hand, broaden the market of export, aid in bringing back the demand so far as it can be done of middle Europe and southern Europe, and you again create purchasing power in that section of the country which produces cotton, and that purchasing power will reach out into the Eastern and Middle States to furnish markets and give employment to the men in their factories and their mills.

Take copper: The same situation exists, as we have been advised before the committee, and the same thing is true of many other lines of production.

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. SMITH of Georgia. I do.

Mr. POMERENE. What the Senator says with regard to agricultural products applies with equal force to manufactured products.

Mr. SMITH of Georgia. Yes.

Mr. POMERENE. To illustrate, in the city of Akron, which is the center of the rubber industry of the world, they have their warehouses filled with tires and other rubber products which at the present time they are not able to market at all. All manufactured products are on the same footing with others.

Mr. SMITH of Georgia. Our export of the manufactured product has ceased, and the entire market in one-fourth of the country has been cut off from them by the failure of markets for the sale of cotton. You can not sell an automobile in that section. You can not sell anything. You furnish a means to export from Memphis, Tenn., 500,000 bales of the very low-grade cotton that is found there, which is not used by American manufacturers, which can be used in Germany, in Austria, and Czechoslovakia. Their mills use the very short staple. You put the exporters in the position where they can help finance such sales and at once there will be a restoration of the purchasing power. You have had cut off, first by the war and now by the lack of ability to finance except on long-time credits, a great part of the markets of the United States. It is believed, indeed it was apparent, that the War Finance Corporation, more than any other institution, could help restore these exports. I believe thoroughly in the export corporations being organized under the Edge Act.

I believe in all possible help by the bankers. But back of them all it was the purpose of Congress in March, 1919, to have for 12 months after the proclamation of peace the War Finance Corporation, with \$500,000,000 from the Government, with the power to handle credits to the amount of a billion dollars, to aid and stimulate private enterprise and private banking; not to compete with it, but to let it be known, "Do your best and here in a way your Government is behind you; your Government has created an organization to help back your exports. Your Government recognizes the fact that conditions abnormal still remain as the result of the war, and your Government proposes, as it did during the war, for 12 months after the war to aid in the restoration of trade currents and bring back to you your markets which otherwise you can not reach."

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator if he has the figures showing the amount of foreign exports that have been financed by the corporation during the period of its operation, the first 18 months?

Mr. SMITH of Georgia. The amount was not very great, because only a short time before its operation was suspended were the calls made on it. It had pending before it applications for a hundred millions which it was ready to extend at the time the Secretary of the Treasury suspended it. I can give you a number that it did aid.

Mr. HITCHCOCK. I have just found them in the Secretary's report, and am very much surprised to find how little it did during the period of its operations, very little for cotton, very little for agricultural products, mostly for manufactured goods for very large concerns.

Mr. HARRISON. If the Senator from Georgia will look on page 22, he will find just what Mr. Meyer testified on that point.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. SMITH of Georgia. Yes.

Mr. NORRIS. The reason why there were not many agricultural products exported under their operations, and so many manufactured products, is I think very clearly stated in the hearings by Mr. Meyer. Briefly stated, it took quite a while to organize to handle agricultural products, because there were no existing organizations. In the case of manufactured products that was different, to a very great extent. I believe they did, however, assist in financing the export of about \$11,000,000 worth of wheat to Belgium; eleven and a half million, the Senator from Oregon [Mr. McNARY] says to me. Mr. Meyer said at the time they were suspended they had a lot of organizations ready by which they expected to be of great assistance in the exportation of agricultural products, but it took some time to get the organizations ready.

Mr. HITCHCOCK. Mr. President, I recall that testimony, and I assumed that it was due to the fact that the time was short. But here was an amendment which we adopted in March, 1919, and which was in operation for something over a year, and yet during that whole period the figures show that it made the following advances:

For agricultural implements, \$4,000,000 of exports; for condensed milk, \$5,000,000 of exports; for cotton, \$9,332,000 of exports; for electrical equipment and supplies, \$10,796,000; for grain, flour, and foodstuffs, \$12,229,000; for locomotives, \$5,000,000; or a total of \$46,347,654.

That total is an absolutely insignificant amount of our total foreign exports, and I am surprised that the activities of the corporation were so little directed toward the exportation of agricultural products; and I am even more surprised that the total they financed was so insignificant compared to our total exports during that period.

Mr. NORRIS. Mr. President, the amount that was actually expended, of course, does not tell the whole story. There were a great many of these operations where they were behind the organizations and had made an agreement to assist when it became absolutely unnecessary for them to extend a dollar of assistance. That is one of the great benefits that we hope will result. It will not always mean, when we get a lot of exports to go across, that this corporation will have a dollar in it. The fact that they are behind it, and these securities are put on the market for sale, gives them a market that would not exist if they did not have this corporation and its backing behind them.

Mr. HITCHCOCK. If the Senator will permit me, carrying out my argument, I find that during the first 10 months of this year our exports have amounted to \$631,000,000 and all that this corporation financed during the year it was in actual operation was only \$46,000,000.

Mr. GLASS. The Senator is wrong in his figures. It was nearly \$8,000,000,000.

Mr. HITCHCOCK. I should say billions. That is billions, as a matter of fact. It was \$8,000,000,000 for the whole year, approximately. The exact figures for the 10 months are \$6,498,996,000, and that seems huge compared to the insignificant amount of exports which this corporation financed, only \$46,000,000, during the whole year of its operations; and I was going to ask the Senator how he can explain the value of its services in promoting exports when during that year it did so little.

Mr. SMITH of Georgia. That is explained in the testimony.

Mr. McNARY. Let me call the attention of the Senator from Georgia to the testimony of Mr. Meyer, which is found on the bottom of page 21, and extending over to the middle of page 22, which goes to the very question of the Senator from Nebraska [Mr. HITCHCOCK].

Mr. RANDELL. Will the Senator from Georgia permit me to say a word?

Mr. SMITH of Georgia. Certainly.

Mr. RANDELL. I would like to have the attention of the Senator from Nebraska, as I think I can offer one possible solution to his question.

Following the armistice, late in 1918, the European countries and other parts of the world, I imagine, had considerable sums of money with which to buy our products. I know that the price of cotton remained at a very nice figure until the close of the year 1919. I know there was no special call on anybody to help finance cotton. It was in such tremendous demand that we could hardly get enough to supply the market. I imagine that the same would apply to the very large amount of exports of various kinds and sorts which were sent to the other nations of the world.

In other words, after we created the War Finance Corporation, in March, 1919, there were no demands made upon it.

Business was functioning without its aid. It was only later on, when these other nations had, I assume, exhausted their funds, or their credits, to a very great extent, and were unable to pay us the cash, that our exporters began to call upon the War Finance Corporation. Undoubtedly they were calling upon it pretty lively, according to the testimony of Mr. Meyer, when it ceased to function. Big demands were made upon it about that time, shortly before it ceased to function. I grant you that they had not been made upon it until shortly before it ceased to function, and I have merely offered that as a suggestion.

Mr. HITCHCOCK. The Senator bases his statement upon the assumption that our exports had fallen off, but, as a matter of fact, our exports for the first 10 months of this year, when the War Finance Corporation has not been functioning, are actually larger than they were for the first 10 months of the last year when it was functioning.

Mr. KING. And larger the last month of the 10 than any other.

Mr. SMITH of Georgia. We know that the raw material we are talking about is not being shipped to middle Europe; that it is not going to the markets to which it normally went before the war. We know that by proper financing it can be sent there.

The answer of the Senator from Louisiana [Mr. RANSDELL] is the chief explanation, I think, of why the War Finance Corporation was not more promptly called on to aid in financing these credits. Our Government continued to extend to foreign countries, to our allies, the loans invested in American products. They drew quite a large sum from the National Treasury after the armistice, which was spent in the purchase of American products. They furnished the funds during that period to continue to handle and to stimulate our exports.

But, as the Senator from Louisiana said, and as the Senator from Nebraska said, in May, 1920, that fund had been exhausted, and the private credits were beginning to be strained, and the War Finance Corporation was being applied to, to aid, and applications, amounting to a hundred million dollars, they were about to approve at the time the Finance Corporation was suspended. The representatives of all the farmers' organizations in the United States have indorsed and urged the resumption of work by the War Finance Corporation.

It is the opinion of the bankers and leading financiers with whom I have conferred that the resumption of the duties of this War Finance Corporation will greatly aid conditions throughout the country.

It is the opinion of representative organizations of the States that it is important and essential. There is an organization of the chief executives of the States which meets once a year. The governors recently met in Harrisburg. Let us see what message they send to us fresh from the people of their respective States. Among other things, it is said:

Let the Federal Government create a finance corporation of some sort that will enable the people of other lands to obtain from us the commodities they so greatly need, but for which they are not able to make immediate payment. We believe such a corporation to be entirely feasible and that its mere creation would substantially help the situation.

The convention of governors, through a committee of their number, presented it to your Committee on Agriculture and Forestry.

The representatives of the agricultural interests have met and begged for the resumption of the War Finance Corporation. The bankers have urged it. The governors of the States urge it. Let us take counsel with them and listen to their appeal. It represents the views of nearly all of our constituents.

Those who think it will do little must know that if it does little it will certainly do no harm. Those who believe it can do much, who hope for substantial results through its immediate action and through its cooperation, ask you not to prevent resumption because you think it will do little. If you do not want it to act, the less it does the better you should be pleased. We think it should resume its work, believe in what it can accomplish, and feel sure that the results will demonstrate the accuracy of our views.

Now, with reference to the securities and the absorbing power of any of those countries that are requiring long-time credit, I have had occasion to confer with men who have recently visited them, who are familiar with their condition, and they say that Central Europe can furnish us to-day a market not equal to the market of 1913 but a substantial market and a market which, by buying on long time, can give securities that exporters and bankers will be ready to accept; that these markets can be brought to our people, and the War Finance Corporation is needed to bring them to our people.

I would not undertake to give the details of the character of the securities. Exporters and bankers are satisfied that sound

securities can be obtained and if they have an assurance of co-operation to carry these credits longer than periods for which banks carry loans, they are ready to begin exporting. Every carload of war material exported under such circumstances will help, every shipload will help. It will help to bring back normal conditions in our own country and it will help to restore normal conditions abroad.

I am one of those who believe that the industrial restoration of Central Europe and of Germany is essential to the industrial prosperity of the world. I believe further that the greatest contribution we can make to Europe is to furnish credits that may enable the purchase of raw materials to put their unemployed to work, to let them again be purchasers, to let them again earn a livelihood, to let them again have a hope for the future; and if Central Europe and Germany can ever be brought back into industrial activity and again take their places as producers, it will prove a great stone wall against which the waves of Bolshevism might roll, to be hurled back, doing no harm.

Mr. THOMAS. Mr. President, I do not wish to interrupt the Senator if he does not wish to be interrupted.

Mr. SMITH of Georgia. If the Senator desires to ask me a question I am glad to yield.

Mr. THOMAS. I wish to ask a question, but to preface it by a very short statement.

I agree thoroughly with the Senator in his view that the economic restoration of Germany and of central Europe is essential to the return of normal conditions throughout the world. This is my question: How is it possible for Germany and the people of Europe to undertake the work of rehabilitation until they are relieved from the undetermined and indefinable indemnity which the treaty has imposed upon them, and under which the people can not and up to this time have not been able to determine what is to be expected of them during their period of rehabilitation and afterwards?

The Senator, of course, knows that this treaty, unprecedented as it is in many ways, is unprecedented in the fact that it imposes upon Germany an indemnity whose proportions no one knows, but which are to be determined year after year by the reparations commission, based upon what seems to be the ability of Germany to pay. I can not imagine any people in the world being able to go to work under conditions of that kind.

If I were mortgaged similarly to the Senator from Georgia because of our financial relations, I certainly would not long entertain any ambition to get back upon my feet financially and earn money when conscious of the fact that every dollar over and above my means of existence would go to the Senator, and without any limitation as to when that process would cease.

I do not believe—but I will not answer the question, as I promised not to, but does not the Senator think that this is a condition precedent to the rehabilitation of Germany—the fixing of a definite indemnity, so that she and her people may know what they have got to meet and then meet it?

Mr. SMITH of Georgia. I will give the Senator my views upon that subject with great pleasure. I regard it as utterly indefensible to hold an unsettled charge against the people of Germany. I think every influence this Government has should be brought to bear to induce a decision with reference to it—to let the people of Middle Europe know what they are to pay and fix their plans for the future to meet it. I should like to see the sum fixed and bonds accepted, that it might be made liquid, sold perhaps in part by the countries receiving the bonds. I think the fair and just thing to a beaten foe is to tell them what they are to pay and give them a chance to live.

But even though that is a hindrance—and I recognize it as a hindrance—I have been satisfied that large quantities of raw material will be, with satisfactory securities, purchased in Germany and in Central Europe.

Mr. WALSH of Montana. Mr. President—

Mr. SMITH of Georgia. One moment, please. I would say probably not half as much as if their war indemnity and their future liabilities were settled, but they must have work to live at all.

I now yield to the Senator from Montana.

Mr. WALSH of Montana. With the permission of the Senator from Georgia, I desire to remind the Senators who have precipitated this discussion that the position which they have advanced now is the position which was taken by the American commissioners at the peace conference. The view thus expressed was very ably presented by the financial representative on the commission, Mr. Baruch, and it is no new argument for anybody speaking in the name of the United States, but I desire to remind the Senators of that treaty as entered into between Germany and all the other Allies, the Allies other than ourselves. If it is to be changed in any way it must come from

negotiations between them and Germany. There is nothing that the United States can do about the matter except to urge, persuade, and I remind the Senators that in view of the situation we are in at the present time our suggestion concerning an amendment of that treaty would probably not be received hospitably.

Mr. SMITH of Georgia. It would not be very persuasive, the Senator thinks?

Mr. WALSH of Montana. No.

Mr. THOMAS. I have made no such suggestion. I am aware of the good work done by Mr. Baruch as our representative upon the reparations commission, but unfortunately he could not have his way. I think there is one thing, however, that we can do, and that is to continue our policy of keeping out of that treaty.

Mr. SMITH of Georgia. Mr. President, I have expressed several times upon the floor of the Senate my views with reference to the treaty, and am rather indisposed to enter into a discussion of the treaty unless it comes back here for our consideration. I only was pleased to express my agreement with the Senator from Colorado about the value to the world of a settlement of the indemnity which is to be required from Germany, and if we are in a position to use any good offices, if we should at any time in the near future be in a position to offer advice which might be heeded, I trust that all the influence of our Government may be thrown on the side of bringing to an end the indefinite condition of the indemnity and place it, if possible, in a shape where it will be fixed, where it will be settled by a bond issue, and where it may take the shape of a liquid obligation, no longer handicapping the industrial condition of the world.

But, Mr. President and Senators, coming back to the War Finance Corporation, there is no possible harm it can do, even if the Senators who have asked a few questions are not satisfied that it did not do more before it was suspended. There is every reason to believe that it can do a vast deal of good, that it can help broaden credit and help take care of credit essential to our exports into central and southern Europe, for even Italy and Spain have asked for credits beyond the ordinary banking credits.

Now, the banks may extend the credits to the exporter, but it would be difficult for them to carry those credits as long as may be necessary. If the bank knew that the War Finance Corporation was in a position to assist if the bank needed assistance, it would act with more liberality and with less hesitation. The same thing is true of the exporter.

As has been before stated, it is not simply the financing actually to be done by the War Finance Corporation that would bring the benefit. It is the encouragement and the backing it would give to exporters and bankers to handle the credits themselves. The War Finance Corporation will greatly aid the export corporation organized under the Edge Act. I believe that the overwhelming sentiment of the bankers and business men of this country is that this contribution to the rehabilitation of our export trade, this contribution to the re-establishment of our markets, is essential in the present condition of our country.

Mr. CALDER. Mr. President, will the Senator yield to me? The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New York?

Mr. SMITH of Georgia. I do.

Mr. CALDER. I hesitate to interrupt the Senator, but I must leave the Chamber in a moment, and I desire merely to comment at this time upon the point the Senator has made in his remarks.

As chairman of a special committee of the Senate I had occasion to visit the western and southern sections of the country during the last month. Much of the information given by Mr. Meyer before the Agricultural Committee was obtained by him in traveling through the country with me and assisting me in the work I was doing. My committee had under consideration the question of the housing shortage and matters of thrift, transportation, and fuel as related to housing. We took upon ourselves to inquire carefully into the condition of the Nation's finances. We asked the bankers, we asked the business men, we asked the merchants, we asked everybody that might be interested in the rehabilitation of the country's business just what they thought of this very proposal that the Senator from Georgia is discussing, and I will say to the Senator and to the Senate that almost without exception we found the conservative business men and bankers of all that section of the country—and I speak now of the country west of the Alleghenies—almost a unit in favor of the revival of the activities of the War Finance Corporation. They believe that the psychology of its revival would be helpful to business; they believe that, as

the Senator has stated, the activity of the corporation in the way of encouraging exports, without even advancing money at all, will be very helpful; and they believe the country could do no better than to adopt this suggestion at this time. They suggested other means of helping business, but this seemed to be the one in which there was no risk to the country and a manner in which credit could be given and guarantees of credit could be gotten and one through which the country would run little or no risk.

If the Senator will permit me, I should like merely to read a paragraph from this morning's New York Herald, which the Senator knows is the great conservative newspaper in the East.

Mr. SMITH of Georgia. I will not only permit the Senator to do so, but I shall thank him for doing it.

Mr. CALDER. Among other things, this editorial says:

A merciless flogging has been administered to trade and industry in this country during necessary deflation. Producers directly and consumers indirectly have paid a penalty far and above any sins they ever committed. Producers have listened to sermons about increasing production and satisfying the foreign demand as a means of cutting down taxes and keeping a balance on the right side of the ledger. There is more corn, more cotton, more wheat, more copper, more steel; there are more textiles and more shoes than the country can consume, but there is only a restricted outlet for our surplus to the markets filled with eager buyers abroad.

The editorial goes on and commends the action of the Committee on Agriculture and Forestry and the Members of this body in urging that steps be taken to revive this corporation, which the Senator so splendidly advocates.

Mr. SMITH of Georgia. I thank the Senator. I spent three weeks in New York City just prior to the convening of Congress. I then had an opportunity of conferring with quite a number of prominent bankers and thoughtful business men, and I can not recall a suggestion from one that was not favorable to the resumption of the activities of the War Finance Corporation and that did not indicate a belief that great value could be expected from the resumption of its activities.

As I have stated and as others have stated a number of times, not alone what it would do, but the psychological effect of its resumption of operations as an agency of the Government, the Government thereby recognizing the importance of our exports and showing its willingness to help lead in the export work for 12 months after the proclamation of peace, would be profoundly beneficial.

Mr. President, I offered on yesterday an amendment, the real feature of which is to add, after the word "agricultural," the words "and other," so that the joint resolution will read "to resume the activities of the War Finance Corporation \* \* \* with the view of assisting in the financing of the exportation of agricultural and other products to foreign markets."

If the Senate wishes to do so, I am willing to see the language left "agricultural," but I really do not think it ought to be so restricted. I think it should apply to all lines of industry that may be helped, and at the proper time I shall ask for the adoption of my amendment adding the words "and other," so that it will read "agricultural and other products."

There is one other amendment also in the second section of the joint resolution which I propose, in line 16, by striking out the words "of extension." I think, as expressed, it might be understood to apply simply to the renewal of notes rather than the extension of credits as an original proposition. So I have suggested the striking out of the words "of extension."

Mr. KING. Mr. President, before the Senator resumes his seat and after he has concluded his remarks, I should be very glad to propound one or two questions, with his permission.

Mr. SMITH of Georgia. I now yield to the Senator for the questions.

Mr. KING. Mr. President, I have been very much interested in the observations which have been made by the distinguished Senator from Georgia, and with much that he has said I am in hearty accord. I confess, however, to a lack of understanding of the explanation which the Senator has made with respect to the functions of this corporation when it shall have been revived, as to its powers, and particularly with reference to the obligations of the Government. I can not understand a system of bookkeeping—for, if the Senator will pardon me, this is more than a question of bookkeeping—I can not understand a system of bookkeeping which places under the control of this corporation, to use my expression of a moment ago and the Senator's expression, as a potential force, backing its stock issue, \$500,000,000 or \$1,000,000,000, and yet at the same time that act does not create an obligation against the Government. It seems to me that when this corporation shall be revived—and I assume now that it is defunct—

Mr. SMITH of Georgia. I object to the term "revived," because I do not concede that it is dead. I want to substitute "resume operations" for "revive." The joint resolution says

"revive," but I wish to substitute "resume operations," because I deny it is dead; I do not concede at all the right of the Secretary to kill it.

Mr. KING. Well, assume that it is not dead, but is in a moribund condition.

Mr. SMITH of Georgia. It is asleep.

Mr. KING. As I understand now, it has not a billion dollars or five hundred million dollars to its credit upon the books of the Treasury. I assume, therefore, that by some process of bookkeeping, which doubtless was authorized, the credit which it received in the beginning has been charged against it and the Treasury has been reimbursed for the original payment. Now, if this moribund organization—

Mr. HITCHCOCK. Mr. President, if the Senator will permit a correction there—

Mr. KING. Yes.

Mr. HITCHCOCK. I have discovered what has become of that \$500,000,000. In his report the Secretary of the Treasury says:

The entire capital stock of the War Finance Corporation, \$500,000,000, has been issued and is held by the Treasury. This and its reserve fund of about \$25,000,000 are invested to the extent of about \$422,000,000 in United States bonds, notes, and certificates of indebtedness, and to the extent of about \$103,000,000 in other loans and investments.

Mr. SMITH of South Carolina. They can pass that to the credit of the corporation when it resumes operations.

Mr. KING. If this organization, then, shall resume, it will mean that there shall be placed to its credit the amount of capital stock which it is presumed to have.

Mr. SMITH of Georgia. I think it is to its credit now; it owned those bonds into which it put its money. I do not think the Secretary of the Treasury has any authority at all to end it. To suspend its operations was the limit of his authority, and I doubt whether he had that authority; but the bonds in which this money was invested belonged to the corporation.

Mr. KING. May I ask the Senator another question? If this corporation owns those bonds, it is evident it has not paid the Government the amount which it obtained from the Treasury of the United States. Therefore, the Treasury of the United States, unless it has sold the bonds for the purpose of replacing the money which was placed to the credit of this organization or has taken the money from taxation, has a deficit which must be taken into account in determining the financial condition of the Treasury of the United States.

Mr. SMITH of Georgia. I consider that that \$500,000,000 is still the property of this corporation; that nobody has had the right to take it from it. It drew about \$125,000,000, and has still to its credit about \$375,000,000—I use round figures. That amount should be to its credit on the books of the Treasury. It had been invested in bonds and Treasury certificates, and the amount should be to its credit on the books of the Treasury, if the books of the Treasury are properly kept.

Mr. SIMMONS. Mr. President, I can explain that matter to the Senator. The corporation invested, I should say, \$120,000,000 in securities, which has not been paid back. It then drew out the balance, or practically all the balance, of its funds in the Treasury—

Mr. KING. Amounting to \$500,000,000?

Mr. SMITH of Georgia. What was left of the \$500,000,000.

Mr. SIMMONS. Yes; and bought Liberty bonds. Those Liberty bonds have been turned over to the Treasury and they have been given credit now for those Liberty bonds, which restores their account to the same position in which it was before they drew this money out and purchased Liberty bonds; so that the corporation now has actually to its credit upon the books of the Treasury about \$385,000,000.

Mr. KING. If the Senator will pardon me, if it got from the Treasury of the United States \$500,000,000, which it must have done in order to have invested part of it in bonds and to have loaned the residue, and then repaid the Government the amount received, and it has now received back credit upon the books of the Treasury of the United States for this amount, and if we now revive this corporation we must reappropriate \$500,000,000, or the bonds which the Senators say are to its credit, in order that it shall have either stock or assets, or whatever you please to denominate the funds, with which it shall guarantee the loans which it shall make.

Mr. SIMMONS. No; the Senator is wrong. They have that credit there now, and it is not necessary to appropriate any money. They have simply restored to the Treasury the money which they temporarily took out.

Mr. KING. Does not the Senator understand that by the revival of this organization we will restore to it, upon the books of the Treasury of the United States, credit to the extent of three hundred and some odd millions of dollars?

Mr. SIMMONS. Why, it already has it. We do not have to restore it. It already has it.

Mr. KING. Then, if it has that credit, how has the Treasury of the United States been paid for the amount which it advanced when the corporation was organized?

Mr. SIMMONS. Why, in Liberty bonds which were purchased by the War Finance Corporation. The Senator knows that the War Finance Corporation was in the market buying Liberty bonds for the purpose of stabilizing the price of those bonds.

Mr. KING. I understand that; yes.

Mr. SIMMONS. It bought those bonds of the Government, and turned those bonds over to the Treasury, and the Treasury gave it credit for the bonds on the books.

Mr. KING. Where did it obtain the money with which to purchase the bonds?

Mr. SIMMONS. It drew it from the Treasury, out of the funds appropriated.

Mr. KING. Exactly.

Mr. SMITH of Georgia. We have appropriated \$500,000,000 to it, and it drew the \$500,000,000. It put the money into bonds. The Treasury redeemed a part of the bonds held by this corporation, the statement shows, and when it redeemed them it gave the corporation credit on its books for the money.

Mr. KING. I understand that perfectly. Then it is obvious that the Government of the United States is out \$500,000,000 through an appropriation.

Mr. SMITH of Georgia. Absolutely; and it has the stock of this corporation.

Mr. KING. It means, then, if I understand the Senator's contention, that a revival of this corporation permits it to make loans, and back of those loans will be these Liberty bonds which have been purchased by the money appropriated from the Treasury, which will be a guarantee for the payment of the obligation.

Mr. SMITH of Georgia. Back of the loans will be the obligation of the United States to pay the \$375,000,000 that this corporation has to its credit in the Treasury—yes; that is just what I mean. It has one hundred and twenty-six millions and more of assets, and this additional amount is to its credit in the Treasury, and its credit in the country, and the credit on which it sold its notes before was the fact that the Government appropriated \$500,000,000 to take all of its stock.

Mr. GLASS and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. SMITH of Georgia. I desire to yield to whoever wants the floor. I have been ready to yield for some time.

Mr. SIMMONS. I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, the simple fact is that the Government, to the extent of \$500,000,000, subscribed to the stock of this corporation. When the corporation ceased to operate it turned back to the Treasury, in bonds and credits, all of its assets. So that technically it has to its credit these bonds and these assets; but if it undertakes to draw them from the Treasury again in order to revive its activities, the Treasury must go out and by the use of certificates of indebtedness borrow the money at 6 per cent interest in order to replenish the funds of the corporation.

I do not care to be understood at this stage as either opposing or favoring this proposition. I am simply stating that fact.

Mr. SIMMONS. Mr. President—

Mr. KING. Mr. President, if the Senator will yield to me, that is exactly the situation as I have apprehended it; but, as I understood the Senator from Georgia, he was attempting to demonstrate that there had been no obligation in the past nor would be in the future upon the Treasury of the United States.

Mr. SMITH of Georgia. Oh, not at all.

Mr. KING. That is, that the Treasury of the United States could advance this money, but keep it by bookkeeping within its coffers, and that there is no obligation or liability upon the part of the Government of the United States, and still it would be available as a basis upon which to predicate the loans that might be made by the corporation or to obtain credits to facilitate trade with foreign countries.

Mr. SMITH of Georgia. Not at all. On the contrary, I have said that the Government subscribed \$500,000,000 for the stock and took the stock, and that that \$500,000,000, whether left with the Government or in the vaults of the War Finance Corporation, constituted its capital, and if in the Treasury the Government would be liable for \$500,000,000 if the notes of the War Finance Corporation were issued and were not met. It is the basis of its credit, absolutely and unqualifiedly. I never doubted it.

Mr. KING. I understood the Senator to say that the War Finance Corporation paid back the loan or the \$500,000,000

originally appropriated; but the last observation of the Senator places a different construction on the matter.

Mr. SMITH of Georgia. That the War Finance Corporation paid back the loan it made from the public?

Mr. KING. No, no; that it paid back to the Treasury of the United States the \$500,000,000 which at the outset it obtained from the Treasury of the United States.

Mr. SMITH of Georgia. No; I did not say that. The War Finance Corporation actually received from the Treasury approximately \$125,000,000. The balance of the \$500,000,000 has been in the Treasury to the credit of the War Finance Corporation all of the time, except when it was invested in Government securities. Subsequently the Treasury paid off these securities, bonds, and Treasury certificates, and the credit again went to the War Finance Corporation upon the books of the Treasury.

Mr. KING. Mr. President, then, if I understand the Senator, he will accede to this statement made by Secretary Houston:

The Treasury has acted as depository for the corporation. Its funds are represented by a cash credit on the books of the Treasury. If the corporation should draw against that credit, the Treasury would have to borrow to get the money. If activities were resumed, the Treasury or the corporation would have to borrow in order to make the loans.

Now, if the Senator assents to that, may I inquire whether, if the War Finance Corporation is revived and it does make loans, what provision will be made for the Treasury of the United States to get the money in order to meet such loans?

Mr. SMITH of Georgia. No additional provision at all.

Mr. KING. Where will the Treasury of the United States get the money?

Mr. SMITH of Georgia. We do not expect the Treasury to furnish a dollar. We expect the corporation to finance its own paper, just as it did before.

Mr. KING. May I ask the Senator if he thinks it would be honest or sound finance, or to the credit of the United States, or to the credit of the Treasury of the United States, if upon a revival of this organization this corporation loaned \$50,000,000, for the Treasurer of the United States not to place to the credit of the corporation immediately \$50,000,000 in cash in order to meet the obligation?

Mr. SMITH of Georgia. If the corporation loaned \$50,000,000 without disposing of its bonds or raising it otherwise, the Treasurer would undoubtedly meet the \$50,000,000.

Mr. KING. If the corporation should issue its own paper, and some one was unwise enough to accept it without the obligation of the Government behind it in the form of an appropriation or suitable security, does not the Senator think it would be the duty of the Treasurer of the United States, if we revive this organization, to immediately credit this organization in cash with the amount of the loan?

Mr. SMITH of Georgia. No. The Treasurer now credits it with \$375,000,000 and it has the balance of this \$500,000,000 in other assets. It to-day has a cash capital of \$500,000,000 plus the \$26,000,000 it earned—\$375,000,000, in round numbers, being in the Treasury. Its notes are perfectly good.

It sold its notes to the amount of \$200,000,000 before. The only notes it gave it sold to the public. I said it had paid off its notes. Those were the only obligations it had. The \$500,000,000 was the obligation of the Treasury to it, for we had appropriated \$500,000,000 from the Treasury in payment for the capital stock of the corporation. We provided in the original bill that the National Government should be the sole stockholder and that it should take \$500,000,000 of the stock from time to time, with the approval of the Treasurer and certain other officials, and it was taken, and it now has to its credit \$375,000,000 in round numbers.

Mr. KING. May I ask the Senator if it controls the \$375,000,000 which is to its credit?

Mr. SMITH of Georgia. I think it can control that sum absolutely.

Mr. KING. And upon its making a loan, if it had to back that loan with Government bonds, would it have the power to make a requisition upon the Treasury of the United States for the equivalent of that loan?

Mr. SMITH of Georgia. For the \$375,000,000?

Mr. KING. Well, for whatever the loan amounted to.

Mr. SMITH of Georgia. I think it can call on the Treasury for what is to its credit there, every dollar of it—the whole of the \$500,000,000 that it has not drawn.

Mr. KING. Suppose that it had to have cash in order to give the benefits sought to be obtained, or securities which would readily command cash. Could it take from the Treasury those bonds, which I understand have been deposited there, and vend them in the market?

Mr. SMITH of Georgia. Not at all.

Mr. KING. How would it obtain the cash?

Mr. SMITH of Georgia. This is what I understood has taken place, although I may be inaccurate in this:

When the Liberty bonds or the Victory bonds were being sold, and at other times, the War Finance Corporation bought them, and bought some on the market a number of times. It invested its \$385,000,000 in bonds. The Secretary of the Treasury, as I understand, called in and redeemed certain bonds, and he took the bonds of the War Finance Corporation, and having taken the bonds the Treasury held and redeemed them. Instead of paying the corporation the cash the Treasurer gave it credit on the books of the Treasury, which was the depository of the War Finance Corporation, for the value of those bonds which the War Finance Corporation had held. So the War Finance Corporation has given up the bonds that it bought, and the Treasury owes it the value of the bonds.

That is my understanding of the matter. I think I am right about it.

Mr. KING. Mr. President, I think the Senator is right. The misunderstanding between the Senator and myself arose out of this fact:

I understood the Senator's position to be that the \$500,000,000 which was originally appropriated by Congress and credited to the War Finance Corporation had been paid back to the Treasury of the United States either in the shape of assets, obligations of individuals or corporations which the organization held, or United States bonds which the organization had obtained from the Treasury and purchased by it, and therefore that the Treasury of the United States, to use common parlance, was made whole, the Government was made whole; that it had the \$500,000,000 back again under its own control without any string or any obligation whatever with respect to it; that the present purpose is to revive this corporation and to place a lien—if I may be permitted that expression—upon the \$500,000,000 which had been covered back into the Treasury of the United States, either in the shape of Government bonds or other securities, and to abstract it from the Treasury for the purpose of loaning it to exporters; and further that this transaction would involve only a little bookkeeping, which would show that the United States had parted with no money, and that at the same time this corporation would have \$500,000,000 to its credit, available for loans to the interests provided in the resolution.

Mr. SMITH of Georgia. The Senator certainly misunderstood me. I never had such a thought in my mind. The confusion, I think, must have grown out of the fact that I suggested it had redeemed its note obligations. I was referring to the two hundred millions of notes that it sold to the public. I was referring to obligations it issued and paid off to the public. Those were the only obligations it had. It never had any obligations to the Treasury. We appropriated the money to it. The obligation was by the Government to pay for its stock, and when I was referring to an obligation I was referring to a technical obligation, a promise to pay by this corporation, and the Senator no doubt was referring to what he considered its obligation to finally make the Treasury good, and that is the way the confusion arose. I relied upon this \$500,000,000 capital of this corporation as a basis for the issue of its paper. I do not think it will be compelled to draw a cent from the Treasury. I think it can finance its work by the issue of its paper, by the indorsement of the paper of banks, by the utilization of the securities it receives for its loans; that it can bring out of hiding investment money that is not now engaged in active occupations, and instead of being injurious to the general condition, drawing this investment money and putting it to service will be a contribution to the general financial condition in the country, and as this money goes back into the communities where goods are moved and marketed, that money will quickly go to pay off debts and back into the banks and back into the reserve banks, to bring back normal conditions and to revive the general purchasing power of the country.

Let me read this sentence, and then I will close:

Secretary Houston. The Treasury has acted as depository for the corporation. Its funds are represented by a cash credit on the books of the Treasury. If the corporation should draw against that credit, the Treasury would have to borrow to get the money. If activities were resumed, the Treasury or the corporation would have to borrow in order to make the loans.

That may be true. The Treasury might be compelled to issue short-time certificates to raise the money if called on by the War Finance Corporation, but the corporation, as has been fully explained, contemplates financing its own affairs and not using money from the Treasury.

Mr. KING. If that is the process which is to be followed, would the Senator object to a modification of the resolution so that it will not compel the Treasury of the United States or this organization to sell Government securities, thus further inflating the credits of the country, in order to obtain the money with which to make loans to individuals?

Mr. SMITH of Georgia. I do not think we should in any way change the status of the fund that belongs to this corporation in the Treasury. I think it is in proper shape now, and should remain in that shape, to furnish a basis for disposition of obligations of the War Finance Corporation, thereby placing it in position readily to raise money and perform the great national and international task before it.

It will serve our own people and help stabilize world industry so necessary for the peace of the world.

Mr. CAPPER. Mr. President, while we have this subject before us, I wish to read a telegram I have received from the State bank commissioner of Kansas, in which he says:

Kansas banks are unable at this time to properly take care of all credit required by farmers and stockmen in present emergency. Banking conditions are critical. Believe Congress should take action at once, with view to having either the Federal Reserve Board or some other governmental agency relieve the situation. Additional credit must be given producers without delay. Urge Congress to act promptly on this matter.

I have some 18 or 20 other telegrams from State and national bankers of Kansas, and I think they tell the same story. I think they urge action by Congress in line with the resolution which we now have before us.

Mr. President, due to the unprecedented collapse of credit facilities in the great agricultural regions of the West, 26 country banks in North Dakota have closed their doors in the last 30 days because they could not collect from their farmer debtors. The farmers could not pay their notes because the tremendous slump in prices for farm products within a few short weeks had cut in half the price of practically everything they had to sell. By all rules of business and economics these farmers should have been more than able to meet their notes in the bank. But they were not. Instead, the slump in farm prices, wholly unjust and out of proportion to the declines in other commodities, had pushed them toward bankruptcy and ruin. The fall in prices of farm products this year means a loss to the farmers of more than \$6,000,000,000.

There is not a living market for farm products in the United States to-day. Where there is not a living market no industry can exist, not even the unappreciated and overburdened industry of agriculture. Mr. President, the closing of these Dakota banks is a forerunner of much worse to come if we do not heed the warning. It indicates that agriculture, our biggest business and the foundation of our wealth and prosperity, is close to demoralization and collapse. It indicates that the food scarcity that has threatened us before is again approaching, and it says as plainly as can be that all the rest of the country will go down with it once agriculture collapses. Unless relief comes soon this country is in for one of the greatest breakdowns in its history. The signs are plain, and out in the Middle West and the West, where the food you eat is produced, the rumblings are unmistakable.

Mr. President, we have gone about this thing of deflation all wrong. The farmer has been made the goat so often that it was thought he could be safely made the goat again in this big task of deflation. But we have leaned on him too long. The burden has become too great. He can not carry it. He will not carry it. He has said so and is saying so to-day.

If this warning is not apparent to you, consider the unprecedentedly large receipts of breeding animals, of cows, heifers, and calves, brood sows, and immature pigs that have been dumped on the market in the last month or six weeks. The farmer has been forced to dump them, to dump them on a slumping market, at ruinous prices. In line with the drastic deflation policy which Washington has insisted upon, the banks demanded their money and the farmer had to pay. The banks are not to blame. In the West, at any rate, the banks have gone the limit in assisting the farmers.

The week of November 15 broke all records for shipments at the Chicago stockyards. Farmers dumped 4,503 carloads of 111,966 head of cattle in six days. Those shipments included thousands of breeding animals; more than that, there were 15,281 calves, thousands of which would normally have stayed on the farm to make beef or as breeding animals. It is certain that an unusually large proportion of that record week's shipment were cows that should have remained on the farm for breeding purposes.

The same thing has been happening at the other four big western live-stock markets and in all the little markets. Cows, heifers and calves, sows and immature pigs that should never have been shipped have been dumped by the thousands of cars. Steers and shots that were not ready for market have been dumped. All because of the most pitiless, unrelenting, shortsighted, and unfair policy of deflation that the Washington and Wall Street financial powers ever have forced on any industry in this country.

You will remember that last year we were all alarmed lest the farmers could not produce food for us. The farmers were short on capital. They needed credit urgently. The financial powers saw to it that credit was transferred to the producing country, for they feared that otherwise there might be a scarcity of food and that terror and anarchy would breed from hunger. We urged the farmers to produce. It was necessary for orderly deflation and social order. So down from the reserve banks and the big city banks credit was handed to the farmer through the country banks.

The farmers took this credit to run their business. They raised their crops. They accepted the steadily declining markets as inevitable, asking only that the decline be kept in just proportion with other commodities. But with garnering in of the greatest harvest the country has ever known, and with the fear of hunger's unrest removed another 12 months the financial powers inaugurated a wholly different policy. Without warning a few weeks ago the country bankers began hammering the farmer. They began forcing him to sell wheat, cattle, hogs—anything, everything. He would dump a load of unfinished cattle on the glutted market, knowing that he would depress prices still further, but he could not help it. The banks forced him. They couldn't help it. Further up, the city banks were hammering them. Further up the reserve banks were hammering, and still further up the financial powers that control that so-called public utility—credit—were hammering, hammering, hammering. And every blow struck the farmer. The powers that had so graciously lent the farmer money to grow food for them were demanding it and taking from him every cent he could scrape together, no matter how great the sacrifice to himself, his family, or his industry.

From June 1 to December 1, No. 2 mixed corn, the grade on which corn trading is based, slumped approximately 70 per cent, or from \$1.90 a bushel to less than 60 cents a bushel in Kansas City and to 30 cents a bushel at country shipping points. One Kansas farmer took a load of 25 bushels of corn to his local elevator the day before Thanksgiving, to get his wife a pair of shoes. He also took along a hide from a young beef he had killed. He got \$7.50 for the 25 bushels of corn and \$2 for the hide, but for an ordinary, serviceable pair of woman's shoes he had to pay \$10. The shoes cost him all of the price of the load of corn and of the hide and he had to dig up 50 cents to complete the payment. Do you know of any deflation in staple commodities that equals that? You do not, for nowhere has deflation been carried to such an inhuman extreme as with the farmer.

Mr. President, that is a homely example of just what is happening throughout a great part of our country to millions of our people. Two farmers down at Hickory Point, Tenn., killed a couple of young beeves, or calves, in November. The two hides weighed 40½ pounds. They paid \$1.58 to ship them to St. Louis, and after the hides had been sold and all expenses paid one man got back eleven 2-cent stamps and the other received 29 cents in stamps.

That is another homely little example, a thing to be passed over with a smile by the unthinking. But it is human, and it is the meanest kind of pure injustice and unfair dealing that grows into great suffering and social upheavals. And those pieces of injustice are being multiplied by tens of thousands to-day, multiplied again and again every time the helpless farmer is forced to sell a bushel of grain or an animal to liquidate along the pitiless line that his creditors have ordered him to follow.

Lack of credit is choking agriculture to death. The men who are shipping breeding stock to market are eager to keep their herds. Almost all of them are solvent, going concerns if given decent business treatment. They know they can weather this storm easily if the Federal Reserve Board will adopt a more liberal policy in rediscounting agricultural paper. Do not think that it is just the little hand-to-mouth farmer who is being bled to death. The same power is squeezing the big farmers and the big ranchers, men with hundreds of thousands invested, and they, too, are having to dump their live stock into a glutted market to satisfy the banks. With the best security in the world, they can not get loans.

Farmers from almost every State in the West and Middle West have written me in the last few weeks complaining that they can not get credit under any conditions. Their banks are refusing any and all kinds of security they say. Yet they have the best kind of security to offer—foodstuffs. A country banker in western Kansas went to Kansas City in November to get money for farmer customers. He offered a bushel of wheat as security for every 30 cents lent him. He came back home without a cent. The financial interests and the reserve banks had shifted credit to the farming country only to help produce this year's harvests and after these harvests were in the farmers

existed solely as the scapegoats on whom they proposed to dump the burden of deflation.

Mr. President, last summer quite a few big corporations from the industrial centers circulated their paper among country banks. They were good concerns and they took quite a bit of money from country banks, but now when the farmers are suffering for credits none of that money comes back to them. You can not blame the bankers for buying that paper. It was good, sound investment. Everybody expected tighter money, of course, but no such shortsighted, industry-killing program was anticipated. The financial sages talked orderly and equitable deflation, and the Secretary of the Treasury was so placid that he suspended the War Finance Corporation, a thing that never should have been done, for if that aid to trade was needed it is needed now, and it should be put back in operation just as quickly as is practically possible. I particularly call your attention to the action of the recent governors' conference, including the governors of nearly every State in the Union, which made a special appeal to Congress to come to the relief of stricken agriculture by means of an amendment to the Federal reserve act. These governors expressed the opinion that the unremitting credit strain throughout the agricultural section made it imperative that this Congress should arrange for a supply of temporarily additional currency to provide relief in this unprecedented situation.

Mr. President, more adequate credit is an absolute necessity to the life of agriculture to-day and to the food supply of our cities in the future. Lessened production next season is a certain consequence if this relief is not granted. Normal food production can not be continued until agriculture is properly financed.

As I said, lack of credit is sending breeding animals to market in trainloads. There has been no wool market for seven months, and a Wyoming sheepman who shipped recently to Kansas City paid \$2.10 a sheep for freight and received \$1.75 a head for his sheep. Naturally he is being forced out of business. Yet there is scarcely any noticeable decline in the retail prices of food. The cut in shoes has been small and the cut in clothing only nominal. The farmer must pay 12 cents a bushel to get corn husked and then sell it for 30 to 40 cents. He pays \$10 to \$11 for coal that used to cost him \$4 and \$5, and in many western counties he will burn corn this winter for fuel. Two ounces has been added to the loaf of bread in my home town, which is doubtless a fair example of the cut in bread prices, while more than \$1.25 a bushel was taken from the price of wheat and 96 cents a bushel from corn between June 1 and December 1.

Clearly the farming business can not exist unless credit conditions and market conditions are remedied soon. The farmers can not pay the prices charged for commodities with the prices they receive for their products. A few months ago 30 bushels of corn would buy a good suit of clothes. Now, even with the small cut in clothing prices, it requires more than 100 bushels of corn to buy the same suit. A bushel of wheat would buy 10 gallons of gasoline last June. It will buy little more than 5 gallons now. And so it goes with everything he buys and worse than that with the money he borrows, if he can borrow, for he often pays 10 per cent interest and more, and as security he signs a property statement on everything he possesses.

We can refuse our own farmers credit or can grudgingly give them credit at ruinous rates with a property statement on everything they own, but our Wall Street bankers never hesitated when the Cuban sugar planters needed financing.

They sent money to Cuba in the face of a falling market, while here at home they have forced their own farmers to ruin their own markets to pay back their loans. We can supply Wall Street with billions for gambling, we can advance the railroads more than a billion dollars on a broken-down transportation system, and we can finance the profiteering Cuban sugar planters, but we can not show decent business justice to our own farmers. It is true that the Federal reserve bank denies that credit has been denied to agriculture. But we all know in Kansas that that credit is entirely inadequate. The Federal reserve bank at Kansas City has charged as high a rate of interest as 20 per cent per annum this year.

Mr. President, farmers have got to have a fair credit system. The sooner they get it the better it will be for the entire country. The big corporation that does not wish to float long-time bonds at present rates issues short-time certificates and there is a money market suitable for its needs. The commercial house that needs 30, 60, and 90 day credits finds the deposit banks suited to its business. But for the farmer there are no credit facilities. He must do business largely through deposit banks, which can not safely deal in the length of time paper that farmers must give. Except the cattle-loan companies, which

are limited in their operations, he has absolutely no adequate credit accommodations.

The great necessity for developing a financial system that makes allowance for the peculiar conditions governing the business of agriculture and that will adequately meet the special needs of the farmer has never been more apparent than in the present agricultural crisis. Ordinary commercial credit will automatically flow to the point where it secures the largest returns. In a time of financial stringency, the speculators will pay any figure for credit. The farmer can not compete with call money, with speculative money, or with money for foreign exploitation. Let me assure you the farmer is not seeking an economic advantage by which he may exact an inordinate profit. All he asks is that his credit needs may be met as freely and on the same terms as are enjoyed by other business men. He has no right to ask for more.

Inasmuch as the present situation has been largely brought about by necessary Government interference with what would otherwise be the restraining effect of the law of supply and demand, it is quite reasonable to appeal to the Government—which was compelled to create this situation—to relieve it so far as it may do so without violation of economic principles. Precedent for such action in behalf of the agricultural interests may be found in the action of the Government in relieving the railroads of too sudden a readjustment on their return to private ownership. It can not be denied that the farming industry is just as important to the foundations of national prosperity as the transportation industry.

Mr. President, I wish to call the attention of the Senate to the excellent suggestion presented to the Senate Committee on Agriculture a few days ago by the Farm Mortgage Bankers' Association of America, as follows:

If the banks in the reserve centers could transfer this burden to some other agency for a year's time there would be released an entirely adequate amount of credit for present needs of both agriculture and general business and for the relief of country banks which are now compelled to exercise undue pressure on their customers, and, worse still, to refuse to furnish their farmer customers essential credit for carrying on their operations. This relief is fundamental to the relief of the other needs enumerated below, and mature consideration suggests a revival of the War Finance Corporation as the best immediately available agency for taking over this burden. We therefore urge the immediate revival of the War Finance Corporation with specific powers and instructions to accomplish this end, with the stipulation that the corporation should assume no paper carrying a higher rate than 7 per cent. This measure is intended for relief, not as a means of profit.

Congress must solve this problem, and as one remedial measure it must reestablish foreign trade relations that our surplus crops, live stock, and our cotton may find a market. In considering remedial measures the War Finance Corporation should be authorized to resume operations at once. There is no other way to market the 12,000,000,000 bales of this year's cotton crop and our other great surpluses. The renewal of trade with Europe will give some relief, especially for the South. With the reestablishing of foreign trade Congress should see to it that agriculture is afforded equitable credit accommodations along with the other lines of industry in this country. There is no reason why a solvent farmer should not have credits as cheaply as any other business man.

Mr. President, my great concern is for what I know to be the most vital matter before this Nation prompts me as never before to urge this Congress to recognize our national dependence upon the agricultural interests of this country for our immediate prosperity and its ultimate effect upon our civilization.

A constructive national policy toward agriculture developed on sound lines, and that may be safely applied, is our great need. I believe that the future history of this country will be determined by the problem of food; its production, its distribution, its cost, and by the depletion of the soil's fertility, and the loss of its young people. The necessity of practical cooperation between the Government and the farmer and the protection of the Nation's food resources was never so acute as now. We are asking for no class legislation or special favors, but, Mr. President, I believe it is imperative that the present acute situation should have the best attention of Congress at this moment, and all possible encouragement given to a stricken industry.

Mr. FLETCHER. Mr. President, I will not venture upon any discussion of the joint resolution at this time. Indeed, I doubt if it will be necessary at any time because I think the Senate is in favor of the measure and I hope sincerely that it will be passed. I think the benefit that will flow from it is of immense consequence and the indirect benefit probably will be greater than the direct benefit.

At this time, however, I desire to ask that there be printed in the RECORD two short communications which I have, one from

the National Board of Farm Organizations and one from the commissioner of agriculture of Florida.

The PRESIDING OFFICER (Mr. HENDERSON in the chair). Without objection leave is granted.

The letters referred to are as follows:

NATIONAL BOARD OF FARM ORGANIZATIONS,  
Washington, D. C., December 9, 1920.

Senator DUNCAN U. FLETCHER,  
Senate Office Building, Washington, D. C.

DEAR SENATOR FLETCHER: You undoubtedly know that during the month of October two important joint agricultural meetings were held here in Washington in which we strongly protested the action and policies of the Secretary of the Treasury and the Federal Reserve Board with respect to the agricultural credit situation, and in which we strongly favored the rehabilitation of the War Finance Corporation.

S. J. Res. 212, which I understand you are favoring, is undoubtedly a step in the right direction, and I believe that its passage will be of material benefit not only to the farmer producers of this country, but also to business in general.

Sincerely yours,

CHAS. A. LYMAN, Secretary.

THE STATE OF FLORIDA,  
DEPARTMENT OF AGRICULTURE,  
Tallahassee, December 7, 1920.

Hon. DUNCAN U. FLETCHER,  
United States Senate, Washington, D. C.

DEAR SENATOR FLETCHER: The purpose of this communication is to earnestly urge your valued cooperation and influence in securing the passage of a joint resolution by Congress reviving the War Finance Corporation. The purpose of this is well understood by all Senators and Members of Congress.

I think it should be renamed and called the foreign finance corporation or export finance corporation. The war is over; let's leave off the word "war."

It is unnecessary for me to go into a lengthy discussion of this measure and I shall not take up your time to do so; but I do want to drop this suggestion: Unless something is done to open up markets for American farm products such an exodus from the farms will take place as has never before been known. This will be a most serious outcome of our neglect and lack of statesmanship.

There is nothing radical nor unreasonable in meeting the emergency that all agree exists, and only Congress has the power to put in motion the machinery which can save the day.

There is another point which I would like to suggest: Whatever means may be necessary should be used to have the Federal Reserve Board regulate its deflation policy so as to discriminate between productive and nonproductive loans—restricting the nonproductive without crippling the productive industries. A combination of the deflation of currency and the collapse of foreign markets has created a condition which will force a twenty-five billion dollar crop produced in the United States to be sacrificed for \$15,000,000,000. This will mean financial ruin and such discouragement to agriculture as to be positively alarming.

With kindest regards, I am,

W. A. McRAE,  
Commissioner of Agriculture.

Mr. SMOOT. Mr. President, I ask the Senator from North Dakota [Mr. GRONNA] if he knows of anyone else who desires to speak to-night? If there is no vote to be taken upon the joint resolution to-day we may as well adjourn until to-morrow.

Mr. GRONNA. I was in hopes that we could dispose of the joint resolution to-day, but the Senator from Colorado [Mr. THOMAS] indicated this morning a desire to speak upon it, and, of course, if he is not ready to-day it will go over until to-morrow.

Mr. THOMAS. I stated that I wanted to familiarize myself with the hearings before taking the floor. I have read about one-third of the testimony this afternoon and expect to finish the balance to-night. I will be ready to go on in the morning.

Mr. GRONNA. I can assure the Senator that I do not wish to hurry him unduly.

Mr. NORRIS. I have no objection to taking that course if we can have some kind of an understanding that we shall dispose of the joint resolution to-morrow. I presume that there is a feeling in favor of an adjournment from to-day until Monday, but I would not like to take a step like that before the joint resolution is disposed of. I do not seek any unanimous-consent agreement, but this measure ought to be disposed of to-morrow. I am willing to let those who are opposed to it take up the time talking, if we can then get a vote. Is there anyone else who wants to talk to-morrow in addition to the Senator from Colorado?

Mr. KING. I may desire to submit some observations.

Mr. NORRIS. Could not the Senator from Utah do that to-day?

Mr. KING. I prefer to do it to-morrow. It will not take long. If I do take any time it will not be to exceed half an hour.

Mr. NORRIS. I dislike to adjourn at this hour if it is not certain that to-morrow we shall finish the joint resolution.

Mr. SMITH of South Carolina. From what I can learn, there are very few Senators who will make any speeches on the joint resolution, and the speeches will be very short. I do not see why we can not get through with it in a short time to-morrow.

Mr. KENYON. Mr. President, I want to say this about the unfinished business: I think those interested in it have had no objection to temporarily laying it aside for the consideration

of the joint resolution, but there are some amendments to the bill proposed by members of the committee, and I thought we could dispose of them to-day and have them agreed to and then have the bill reprinted, so that we can have it before us in the amended form on Monday.

Mr. SMOOT. That can be done the first thing to-morrow morning.

Mr. GRONNA. If the Senator from Utah will yield—

Mr. SMOOT. Certainly.

Mr. GRONNA. Let me suggest to the Senator from Iowa that we lay aside the joint resolution at this time and proceed with the unfinished business, so that the Senator may offer his amendments now, in order that the bill may be reprinted and be ready for use on Monday.

Mr. KENYON. Why not do that? It will only take 10 minutes.

Mr. NORRIS. Yes; let us do that to-day.

Mr. SMOOT. Very well.

Mr. KENYON. Will the Senator from North Dakota offer the amendments, or shall I do so?

Mr. GRONNA. I prefer that the Senator from Iowa shall offer them. I ask unanimous consent that the unfinished business may be laid before the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

#### MEAT-PACKING INDUSTRY—FEDERAL LIVE STOCK COMMISSION.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3944) to create a Federal live stock commission, to define its duties and powers, and to stimulate the production, sale, and distribution of live stock and live-stock products, and for other purposes.

Mr. KENYON. I offer the following series of amendments that have been practically agreed upon by most of the members of the committee. I shall then ask that the bill be reprinted, with those amendments printed in italics.

Mr. KING. May I ask the Senator from Iowa whether that will be done so that the bill in its amended form will be available to-morrow or Monday?

Mr. KENYON. I assume that the joint resolution will occupy to-morrow, but the reprint of the bill will be available to-morrow at any rate.

The PRESIDING OFFICER. The amendments offered by the Senator from Iowa will be stated in their order.

The ASSISTANT SECRETARY. On page 2, line 20, strike out the words "commonly known as stockyards" and insert the words "maintained and conducted at or in connection with a public market."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 2, line 23, between the word "for" and the word "sale" insert the word "purchase," and strike out the words "feeding, watering, or," and at the end of line 23 insert the words "or slaughter in commerce."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 3, line 2, between the words "such" and "business," insert the words "slaughtering or preparing."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 3, line 5, after the word "commerce," strike out the words "or of" and insert "and any trader or commission man or other person"; at the end of line 5, page 3, add the words "wholly or partly"; and in lines 6 and 7 strike out the words "on a commission basis."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 3, line 21, strike out the words "such rules and regulations as may be issued thereunder."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 9, line 24, between the words "unfair" and "unjustly" insert the word "or," and between the words "discriminatory" and "or" insert the words "practice or device in commerce"; and in line 25, before the word "deceptive," insert the words "in any," and between the words "device" and "in" insert the words "to cheat or defraud."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 10, line 14, after the word "commerce," strike out the words "in any line of food-stuffs."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 10, strike out the paragraph lettered (f) and insert in lieu thereof the following:

(f) Otherwise act or conspire, combine, agree, or arrange with any other person to do or abet the doing of any act contrary to the provisions of this act, or refuse, neglect, or fail to act, or conspire, combine, agree, or arrange with any other person to refuse, neglect, or fail to act in accordance with the provisions of this act."

The ASSISTANT SECRETARY. Strike out section 14 as printed and insert in lieu thereof the following:

SEC. 14. No operator shall engage in any unfair or unjustly discriminatory practice or device in commerce or in any deceptive practice or device to cheat or defraud in commerce, or charge, collect, receive, or demand any unreasonable charge or rate for any service in commerce performed in connection with the business of such operator. The commission may, after hearing upon complaint or upon its own initiative, determine and fix, and by rule, regulation or order prescribe fair and reasonable practices, charges, and rates to be observed by operators, and fair and reasonable terms and conditions upon which the service of operators in commerce shall be rendered or performed.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 11, strike out all of section 15, beginning with line 22, so the section as amended will read:

SEC. 15. It shall be the duty of every packer and operator to comply with the provisions of this act and approved regulations and orders which the commission may from time to time prescribe in conformity with this act.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 12, line 14, between the word "required" and the word "for" insert the following:

The commission may in its discretion prescribe uniform systems of accounts and records, and require the installation and use thereof by packers or operators. If such uniform systems are prescribed and required by the commission, no packer or operator shall keep any account, record, or memoranda other than those prescribed or approved by the commission.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 13, line 8, between the words "matter" and "any," insert the following:

No person shall be excused from attending and testifying or from producing documentary evidence before the commission, or in obedience to subpoena of the commission, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture, but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify or produce evidence, documentary or otherwise, before the commission in obedience to subpoena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 15 strike out from line 1 to the word "if" in line 9 and insert in lieu thereof the following:

or of any rule, regulation, or order issued hereunder, it shall afford to such packer or operator a reasonable opportunity to be heard in person or by counsel and through witnesses, under such regulations as the commission may prescribe, at a hearing before the commission, at a time and place designated in a written notice served upon such packer or operator.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 15, line 11, between the words "or" and "any," insert the word "of."

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 16, line 17, after the word "notice," strike out the word "of" and insert in lieu thereof the word "to."

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Iowa has requested unanimous consent that the bill be reprinted, showing in italics the amendments proposed by the committee which have been agreed to. Without objection, it is so ordered.

Mr. SMOOT. I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Saturday, December 11, 1920, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

FRIDAY, December 10, 1920.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, our Father in heaven, for the incomparable life and character of the Jesus of Nazareth, the holy one of Israel. Not a philosopher nor a theologian, He did not organize a church but He taught the most sublime principles that ever fell from the lips of mortal—the fatherhood of God and its corollary the brotherhood of man; I am the way and the truth and the life. No man cometh unto the Father but by me. We pray that His spirit may enter into the heart of man that righteousness, love, and good will may reign supreme in all the world; that men may learn war no more, but do unto others as they would be done by. In His spirit. Amen.

The Journal of the proceedings of yesterday was read and approved.

## THE RULES.

The SPEAKER. In justice to the very efficient Journal clerk, whose accuracy and knowledge have been of great value to the Chair and to the House and whose serious illness we all deplore, the Chair thinks he ought to state that the error which it was thought last night had been discovered in the Journal proves on further investigation to have been imaginary, as the matter had been properly journalized in accordance with the RECORD. Therefore the correction of last night was entirely unnecessary.

## RESIGNATIONS FROM COMMITTEES.

The SPEAKER laid before the House the following resignations from committees, which were accepted:

COMMITTEE ON RIVERS AND HARBORS,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., December 10, 1920.

Hon. FREDERICK H. GILLET,  
Speaker of the House, Washington, D. C.

My DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Rivers and Harbors.

Respectfully, yours,

S. WALLACE DEMPSEY.

HOUSE OF REPRESENTATIVES,  
Washington, D. C., December 10, 1920.

Hon. FREDERICK H. GILLET,  
Speaker House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Foreign Affairs.

Respectfully, yours,

JOHN JACOB ROGERS,  
By S. WALLACE DEMPSEY (by request of Mr. ROGERS).

HOUSE OF REPRESENTATIVES,  
Washington, D. C., December 10, 1920.

Hon. FREDERICK H. GILLET,  
Speaker House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I beg to tender my resignation as a member of the Joint Commission on Postal Service.

Sincerely, yours,

MARTIN B. MADDEN.

## INCREASE OF FORCE AND SALARIES IN PATENT OFFICE.

Mr. NOLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 11984, disagree to all the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from California asks unanimous consent to take the bill H. R. 11984 from the Speaker's table, disagree to all the Senate amendments, and agree to the conference asked for by the Senate. The Clerk will report the title of the bill.

The Clerk read as follows:

H. R. 11984. To increase the force and salaries in the Patent Office, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GARNER. Reserving the right to object, Mr. Speaker, who is the Democratic ranking member of the committee?

Mr. NOLAN. Mr. CAMPBELL of Pennsylvania, but Judge DAVIS of Tennessee would be the conferee.

Mr. BLANTON. Reserving the right to object, for the purpose of delaying even for a few days what might be final action on the bill, since this very materially increases the wages, in some instances as high as \$500, I must object. This is no time now in the course of readjustment of matters for increase of salaries.

The SPEAKER. The gentleman from Texas objects.

## IMMIGRATION.

Mr. JOHNSON of Washington. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14461) to provide for the protection of the citizens of the United States by the temporary suspension of immigration, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TILSON in the chair.

Mr. JOHNSON of Washington. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, my parents came to this country as immigrants, and in the very nature of things I would be inclined to oppose any proposition looking toward the suspension of immigration to this country for the period of two years were it not for the fact that I realize the imperative necessity for some legislation along this line.

The present bill is merely a stop gap. It proposes to suspend immigration only for the period of two years. It is thought that in that time the Immigration Committees of both Houses

of Congress will have time to go into the question of immigration thoroughly and report out a permanent measure that will meet the needs of the times. Also that in the next two years the great unrest that is now manifest all over the world will have subsided to a marked degree.

I wish to call your attention to the paragraph on page 3 of the committee report, which contains some very interesting figures with reference to the number of immigrants who have come to this country during the past year.

In July practically 56,000 came to our shores. In August 58,000, in September 70,000, in October 74,000. This was at Ellis Island alone, and the figures do not take into consideration the number of immigrants that come in through other ports of entry. It is safe to say that would add 10 or 15 per cent to the figures I have read.

Now, these figures do not represent the maximum number of people who wish to come to this country; they represent the maximum number who came in under the present facilities for handling them. If there were sufficient tonnage afloat to-day to bring everyone here from Europe who wished to come we would have in round numbers 10,000,000 or 15,000,000 immigrants coming to this country in the next year.

In the first place, we have not the facilities for taking care of this number, and the industrial unrest all over the country would be aggravated by such an influx. It is being constantly aggravated by the large number of immigrants coming to this country at the present time. I read in a newspaper the other day that there are over 60,000 unemployed in the city of Detroit alone. If we allow a half million, or a million, or a million and a half to come to this country in the next year to aggravate an already bad situation, as far as unemployment is concerned, it is merely going to create more unrest in the country.

Mr. SABATH rose.

Mr. KNUTSON. I shall yield a little later on to my friend from Illinois. A great objection to the people who are coming to this country at the present time is that they are unskilled, common labor. Very few are willing to go into the rural sections and help solve the farm-labor shortage. We have no place for that sort now. Few of our factories are working full time. These immigrants come here and settle in the large and congested centers, where the problem of housing is already acute. We are not getting the class of immigrants that we did 10, 20, 30, or 40 years ago. Most of those who came prior to 1900 went onto farms or took up land. They became producers, while those that we receive now, or at least 80 per cent of them, will become consumers and will contribute comparatively little toward the material development of this country.

The committee has gone into this question very carefully. There have been extensive hearings on this proposition in both the Sixty-fifth and the Sixty-sixth Congresses. Everyone who wished to be heard appeared before the committee, both for and in opposition to the proposed bill. A measure similar to this was introduced in the Sixty-fifth Congress and reported out favorably by the Immigration Committee. The bill reported out at that time provided for a suspension of four years. Mr. Powers, of Kentucky, who was then a Member of Congress, and myself submitted a minority report wherein we favored reducing the term from four to two years. Otherwise this is practically the same measure as the one reported out to the Sixty-fifth Congress.

Mr. SIEGEL rose.

Mr. KNUTSON. I prefer not to be interrupted just now. Every mail brings letters from all over the country asking for the enactment of this legislation, and I feel that no time should be lost in passing this measure, because if we do not do something very soon we are simply going to be flooded with people from other countries. They are coming in now at a rate where we can not sift them out, and the worst part of it is that a large percentage of the people we are receiving now are radical in their political opinions. I spent three months in Europe during the past summer, and while over there I talked with a number of American representatives, consular agents, and others, and all viewed the situation with alarm. As a result of information gathered, I am willing to state on my reputation as a Member of this House that several foreign Governments are financing or facilitating the movement of radicals to this country. Before the war immigration from Spain was practically unknown. Two weeks ago when I visited Ellis Island I found that nearly 2,000 immigrants from that country were received in one day. Portions of Spain are a seething mass of anarchy, and many of the malcontents are being gathered and dumped onto us. How long are we going to stand for it? I do not know when there has been a proposition before

this Congress that I have considered of greater importance than this, because my feeling is that something must be done and done at once. We can not allow the Governments of Europe to dump their bolsheviks and communists onto us. We have no place for them. We have more of that kind now than we know what to do with. We ought to deport those that we have. I sincerely hope when this measure is put upon its passage that there will not be a dissenting vote. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JOHNSON of Washington. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. Box]. [Applause.]

Mr. BOX. Mr. Chairman, I think the House can safely act on the proposition that the situation as presented in statements by my colleagues on the committee has not been overstated. I have tried to view the situation sanely, and I fear that we have not ourselves realized, nor have we made the country realize, just what is involved. I have seen this throng of newcomers at New York; I have seen them at San Francisco on the Pacific coast. The people of California have not overstated their case. The New York grand jury, a portion of whose report was read to you yesterday, has not overstated the case. Personally, my only objection to the bill is that it does not go as far as I think it should go. I think I have noticed a disposition to somewhat apologize for the legislation by gentlemen saying that it is just a suspension; that it does not undertake anything drastic or anything of that kind. To be plain with you, I think the bill does not go far enough.

I include as a part of my remarks some extracts from the report of the committee accompanying this bill:

Seventeen steamship agents recently told Hon. F. A. Wallis, commissioner of immigration at Ellis Island, that immigration to the United States had but barely started; that if these companies had ships available they could bring 10,000,000 immigrants in one year's time. This statement does not take into account the possible German immigration due upon the termination of the existing technical state of war.

The committee has confirmed the published statements of a commissioner of the Hebrew Sheltering and Aid Society of America, made after his personal investigation in Poland, to the effect that "If there were in existence a ship that could hold 3,000,000 human beings, the 3,000,000 Jews of Poland would board it to escape to America."

A study of the new immigration from central Europe convinced many members of the Immigration Committee that the arriving immigrants are not those who might go to the farms; that they are not agriculturists, but mainly additional population for our principal coastal cities and congested industrial districts.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. BOX. I will.

Mr. JOHNSON of Mississippi. Some of the members of the Committee who have discussed this subject have given figures concerning immigration entering Ellis Island. Can the gentleman give the number who enter at other ports? No one seems to have covered that important point.

Mr. BOX. We have not the exact figures but the understanding is that about from 80 to 85, possibly 87, per cent are now coming through New York.

Mr. SABATH. Here is the report I received to-day giving the total immigration up to July 1, for the last year; that is, the fiscal year 1920.

Mr. BOX. The gentleman asked for the relative figures; it is about 85 per cent, I think.

Mr. Chairman, I can see how one who is more concerned about the present and future welfare of people in foreign countries than the good of those already here can look at this subject from a standpoint different from ours. But only a misconception can divide us and the country into two groups, one consisting of immigrants and their friends, and the other of natives seeming to have a different interest. Let the newly arrived immigrants, their kinsmen who have been here longer, and their most sympathetic friends among us understand that unless America is preserved, natives, older immigrants, and newcomers will be involved in a common calamity. If we make another Europe or Asia here, the work of our fathers will have been destroyed, and immigrants and their children will have left the old home and journeyed far, only to find here the same lack of opportunities and the same miseries which they left in the unhappy land across the sea. If America is lost, the world will grow visibly darker, even to the people of foreign lands, and all that is worth living for will have been lost by us, whether we came recently or our fathers came long ago.

Let me define what I mean by the loss of America. I do not mean the loss of territory. The land between Maine, Puget Sound, Los Angeles, and Key West will remain and be called America for ages, but that alone does not satisfy me. As fond as we are of the land and the name, they are not the dearest things. I do not mean that American cities or rural sections

would be depopulated or that our wealth would be destroyed soon, if a hundred millions of Europeans, Japanese, and others like them should come in the next 20 years. Cities and their population and wealth might be greatly increased, but a country can be full of big cities and be very unhappy. Europe, Japan, China, and India are full of teeming cities, and yet millions of their people are leaving for America. The presence of many big cities does not assure the preservation of things that good Americans love most. We might continue to multiply our cities and their population, and yet might create here the same unhappiness from which immigrants are trying to escape.

Neither does wealth increase happiness, nor brains, nor does it enlarge the human soul. Certainly it does not increase purity, nor justice, nor the love of liberty. It was not the wealth of America that made it the wonder of the world in Revolutionary times and for half a century afterward. Many of the men who came here then were drawn by an affinity between them and America's spirit. Now that we are rich other considerations may prompt them to come. The affinity between wealth and its seekers is far below that between liberty and its lovers. "When wealth increases, men decay." America might gain a whole world, and yet lose its best self, that which distinguishes it from the lands whose people in millions are leaving them now.

The loss of what things would amount to a loss of America, even though territory, name, population, cities and wealth remain?

Law, with its just and orderly administration, bringing opportunity, safety, and peace, is one of them. The people who are coming or preparing to come from Mexico and Europe have not been trained in the schools of order but have stewed in disorder—the disorder of war, the disorder of persecution, the disorder of revolution, the disorder of anarchy. Just now there is a world plague of senseless destructiveness, making it appear that misguided men may by their folly change an unhappy world into a weltering hell. Not all the teachers and disciples of this insane rage are among the newcomers, but the others would find few hearers and still fewer instruments of their hatred and destructive insanity among natives or immigrants who have been here long enough to come to themselves.

Another thing which would de-Americanize America would be a population or citizenship with divided allegiance—a hyphenated population, a hyphenated citizenship. The ills which beset countries are numerous and serious enough to require the whole-hearted loyalty of all the people. Big home problems and foreign difficulties can be adequately met only when there is a united and supremely loyal citizenship, permitting no illicit love affairs with outside affinities to divide and debauch the national household. Domestic and foreign policies vital to us concern important interests, touch sensitive nerves of other nations. When parties or public men are afraid to do this or that because the Irish vote might be estranged, the German vote alienated, or the Italian vote driven away, demoralization, weakness, and dishonor have already come. When millions of voters have foreign attachments which segregate them from Americans having no controlling outside love, then millions are not thoroughly Americanized and yet are sufficiently numerous and influential as to control the balance of power in national contests. "A house divided against itself can not stand." Europe has been divided against itself since before Romulus built the little wall around the village on the Tiber. We are importing millions of these same people, divided as between each other and too often segregated from us, and our parties and politicians are playing these foreign attachments against each other and against their own Government when partisan ends can be served by it.

Oh, the shame of it!

What elements of dissolution are lurking in it!

The relationship and spirit of American industrial life can be changed to the undoing of America. We want no peasant or peon or coolie class nor caste system dividing us into an upper and a lower world. The countries whose people are fleeing from them have such relationship between labor and the rest of mankind. Their coming promotes that condition here. When men put their thumbs in their vests and speak of importing "labor," they are not thinking of men and women to become neighbors, friends, and associates; they are speaking of underlings, whose coming will not increase the attractiveness of labor to America. Their employment rather tends to drive young Americans out. Let me illustrate: The first employees of the New England cotton mills were nearly all from the adjacent farms and villages. A French writer who visited Lowell in 1834 says that of 7,000 employees 6,000 were young women, the daughters of neighboring farmers. Charles Dickens, who visited Lowell at that time, was deeply impressed by the sight of these happy American girls, well dressed, extremely clean,

healthful, and refined. He says that they were no degraded brutes of burden. They had libraries, musical instruments, and the conveniences, comforts, and refinements of life.

But immigrants poured in, so that the Immigration Commission, composed of Senator Lodge and a Republican majority and Democratic minority membership, composed of those who had investigated the subject thoroughly, found that at the time of making its report nine-tenths of the employees were foreign born, and one-tenth native born, instead of more than five-sixths, as formerly. Young Americans would delight to join that interesting company of well-dressed, refined, reading, singing, young American employees, but they would avoid the other company and avoid labor, because it put them in such company and in a place so different in the estimation of the community. Every man acquainted with the industrial history of the South during and since the days of slavery knows that the importation of black people tended to drive the white people out of labor and tended to dishonor labor in the minds of proud young white people. It promoted idle helplessness among one class and a disposition to let the work be done by slaves and so-called "poor white trash."

During the past summer your committee was for several weeks engaged in the investigation of the Japanese question in California and Washington. We learned that in many of those flowering and fruitful communities in former times the young American people from the homes, schools, and colleges went gladly to the berry fields and orchards during the summer and found wholesome, attractive, and profitable employment in gathering such crops as grew in Eden, and that they no longer do so. We inquired why. The young men said, "Oh, that has become a Jap's or a Chink's job." Mothers said, "We can not afford to have our daughters working side by side with oriental coolies." Both old and young look upon the present company and work of the fields as degrading. By this means young Americans were driven from the fields of California, as their cousins had been kept from the fields of the South and from the factories of New England.

Bringing such labor but perpetuates and magnifies the evil it professes to remedy. The evil thrives and grows when fed on the medicine which gentlemen propose as a remedy for it. And, what is more serious, it tends to separate America into an under and upper world, divided by a very thin crust; above which are those who care nothing for the crowd beneath, while those below hate and seek to destroy those above. Under such an industrial status America as we know it would cease to be, but the status would not continue, but would develop into Russian chaos.

If time permitted, I could further specify phases of our life which, one after another, can be so modified as to leave the territory, name, a vast population, and wealth, and yet make this the gathering place of a throng strange in thought, word, and action, jarring and warring against each other, a people and a life which Washington, Jackson, Lincoln, McKinley, or Cleveland, and the Americans of their day would have promptly disowned. In many places this situation is developing now.

In Placer County, Calif., Japanese own or occupy 17,000 out of the 20,000 acres of gardens, vineyards, berry fields, and orchards—a veritable Paradise spot, more than three-fourths of which gives the odors of bloom and fruit to oriental nostrils.

If you want to know what it is to keep the skin and skeleton of American life without its meat, go into California rural villages and see the land occupied by orientals and observe whole families of them everywhere in the fields on the Sabbath. At the very same time you see a few lonely looking Americans, some men and a few women and children, going to their Christian churches to worship. Busy villages, where few Americans can be seen, where American churches look desolate and the new Buddhist temple appears to be more prosperous. It is a long way from early Puritan churches in New England, or Christ Church, where Washington worshipped in Virginia, to a new Buddhist temple in California, but the progress from one to the other is the process which I am trying to describe.

My home is 2,000 miles from California, but I am at one with her people. That land must be kept by them and their children.

As the grass, shrub, and tree life of fields and woods of the whole world has been extended, made, and modified over and over again by its carriage on wind and water and otherwise, so the world of men has been, and will be, distributed, placed, shaped, and reshaped by human migration. This is a factor of first magnitude in our life and that of the world—the old world of the past and the living world of now. It is moving in all the world to-day, and we of the United States of America are in the middle of the movement. No other tide ever swept

the affairs of men, carrying in it more that moves the foundations of human life or more power to replace and reshape the whole structure, than does the tide of human migration that now moves from all lands to America. The desire of the mistreated and crowded-out of all humanity is to get here. So far as I have found or heard suggested, no other country in all time was ever before the place to which so nearly all homeless, hungry, misplaced men desire to migrate. This, if not controlled, will multiply and hasten the effects of this society-changing, world-changing influence on us and make us essentially different, or undo us more thoroughly than was ever done to any great people before.

Earthquakes, glaciers, receding seas, uprising land, and cooling continents have changed the face of the earth on which man makes his home. No less surely the coming and going tides of human migration will change the races of men, their condition and institutions. Men can do little toward shaping the surface of continents, but this Nation can do much to control these migrations moving to it in such volume.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SABATH. I yield five minutes additional to the gentleman from Texas.

Mr. BOX. Its action should be along two lines; first, it should control and restrict the number coming. Because this bill promises some good results in that direction, I shall support it, though I would like to see it much stronger.

The next line of action should be toward Americanization. America's plan to Americanize immigrants and their children already here should be thoroughly like America in the bigness of its proportions, its comprehensiveness, its intensity, and in the persistence and unrelenting determination behind it.

I have introduced a bill providing for action along this line for the consideration of the committee and my colleagues in the House. I do not claim that it is the only plan; it may not be the best plan; but the committee is going to hear more from me on this subject, and so will the House, if it is as kind as it has uniformly been to me in the past.

Mr. Chairman, I ask leave to revise and extend my remarks.

The CHAIRMAN. The gentleman asks leave to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. SABATH. Mr. Chairman, how much time has the gentleman consumed?

The CHAIRMAN. The gentleman consumed four minutes.

Mr. BOX. I yield back the one minute.

#### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and the Speaker having resumed the chair, a message in writing from the President of the United States was communicated to the House of Representatives by Mr. Sharkey, one of his secretaries:

#### IMMIGRATION.

The committee resumed its session.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to yield 10 minutes to the gentleman from Ohio [Mr. WELTY]. [Applause.]

Mr. WELTY. Mr. Chairman and gentlemen of the committee, when one considers the history of immigration during the last century he comes to the conclusion that this country has not had any immigration policy up to February 5, 1917. What we have done during the last 100 years is a matter of patchwork, making a law here to apply to this emergency and another law to apply to another emergency without having the vision to prepare one which would apply to the future and cover conditions generally. Just now we are confronted with a condition which to some of us is alarming, because the aliens who come to our shores largely go to the overcrowded populous centers, such as New York, Chicago, Cleveland, and Baltimore. I suppose probably 90 to 95 per cent of the aliens coming to our shores remain along the coast and in large cities. No matter if those aliens were agriculturists before they came here, they go into these larger centers, already overcrowded, tearing down the standard of living and the standard of wage.

This question confronts us, gentlemen: Are they tearing down the standard of living and wage? A hundred years ago we find that those who came to this country, 94 to 95 per cent of them, went upon farms to till the soil. But now a large portion come not to produce but to consume. And the House has a bill to exclude aliens, that we might possibly have another moment to catch our breath, for we know not how to solve the problem of immigration. We postpone, little dreaming that procrastination is the thief of time.

It reminds me of a story that Lincoln told about Congress. He said that a farmer had a tree which fell into a fertile field,

and when he continued to plow around it he was asked why he did so. The farmer replied, "It will not burn, because it is too soggy, and it is too tough to cut and too heavy to haul away." It seems as though with this immigration question we are simply plowing around a fertile field without solving our problems.

Mr. Chairman and gentlemen of the committee, I was hoping that instead of having this bill of exclusion we might have some constructive measure which would look into the future and place our immigration upon a basis so that we could sift those who come to our shores; so that we might accept those who are desirable; so that we might receive those who will assimilate with the great American spirit. But it seems that Congress is not ready to tackle this problem.

Canada has learned her lesson. She does not continually give offense whenever she excludes immigrants from a certain nation or any alien group that could not assimilate with the Canadian life and population. The matter of immigration is regulated by an administrative body capable of acting when the needs require action. Why should not we prepare a standard known as the American standard, and then we can tell the immigrants who come to our shores, "Here is our standard. We will be pleased to open our doors if you accept it; but if you will not, our ship is in the harbor." Instead of that, whenever we are confronted with a proposition of this kind we are also confronted with those who want to capitalize their ideas. I have the greatest respect for the gentleman from California, the chairman of the Military Committee, but when he points out the menace and makes a speech urging us to prepare for war, why does he not give us a solution and urge us to solve the problem once and for all instead of widening the breach by advocating military preparedness? It seems to me if this Congress would establish a board of five or six men who would study this problem, with power to admit aliens on conditions that those already here of that ethnic group become Americans and accept our American standards, we might solve our problems. In other words, let us tell those of other countries, "We will accept your nationals, provided those who are here do not tear down the standard that we call America."

Then, in this way we would shift the burden from off of our shoulders upon that alien group who refuses to accept our ideals and who do not assimilate with us. But instead of that, it seems as though there are those who want to keep this problem alive for the purpose of foisting upon this country a large military force—universal military training, if you please—and saddle a soldier on the back of each individual in our country. After the chairman of the Foreign Relations Committee returned from his trip to the Orient, according to the press reports, he urges us to build the largest Navy in the world. And it seems the Nation across the Pacific heard that and voted 600,000,000 yen for their navy, and it is said that they made arrangements with England for the purpose of buying ships from her. She has already, according to the reports, made arrangements with Germany to build her submarines, so that she may preserve what she thinks is her self-respect. The same old story which brought on this World War. Oh, you can keep this problem alive if you want to do so. You can make a plaything out of it for the purpose of waving the flag in our face and telling us that we must have a large standing Army; that we must be burdened as taxpayers in order to maintain the largest Navy in the world, if you please. And yet your problem will remain unsolved.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WELTY. Will the gentleman from Illinois yield me some time?

Mr. SABATH. I yield five minutes more to the gentleman.

The CHAIRMAN. The gentleman is recognized for five additional minutes.

Mr. WELTY. The literacy test has done something, but it fails to meet our ideals. For instance, the other day, while our committee was visiting Ellis Island a citizen of this country came from California. He had a ranch there and was going to marry a Czecho-Slovak at Ellis Island. He met his bride. But he was not permitted to marry the young lady, because she could not pass the literacy test. If he had only known, he probably could have gone 3 miles from the United States and married there and thus made her an American citizen. They refused to permit that young lady to enter the United States. Another case that came up while there is of a woman who came here in 1908. A couple of months ago she left to bury her mother, and when she applied for readmission at Ellis Island she was excluded because she could not pass the literacy test. And yet she was here before the literacy test was passed. She was here, my friends, when we voted that she could be a citizen of this country. But she was excluded.

There are a great many matters of that kind that work an injustice. No doubt in both of those cases that I have cited the people will be admitted in time, after they have gone through the red tape of the departments, and then, perchance, in a week or six months the man from California may be permitted to marry the young lady. But all this time we are entertaining his bride at Ellis Island at the expense of the Government. And I suppose the domestic in course of time, after she appeals her case to the Secretary of Labor at Washington, and perchance from there it goes through red tape to the Secretary of State, and then back again, may in six months come into this country.

Mr. VAILE. Is not the gentleman advised that she is being entertained at the expense of the steamship company in the United States?

Mr. WELTY. But when the steamship company finds that we admit the bride, and she becomes the wife of the ranchman from California, then in justice we must return the money for keeping that bride at Ellis Island. For we made a mistake, otherwise we would not have admitted her. What I want to say is this: Instead of having the red tape in admitting our aliens, we ought to cut it. We ought to have some one at Ellis Island who can act there in those cases. If the bride looks good to him we ought to say to the ranchman, "God bless you, take her and go back to your ranch in California." And if the other woman was entitled to admission because she was here in 1908, in the name of all that is fair and just she ought to be admitted. But she was not admitted. The steamship company pays first, and then we will assume payment, because the judge having final jurisdiction says she ought to be admitted.

The CHAIRMAN. The time of the gentleman has again expired.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. KELLY of Pennsylvania having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. CROCKETT, one of its clerks, announced that the Senate had passed the following resolution:

#### Senate resolution 396.

*Resolved*, That the Senate expresses its profound sorrow in the death of the Hon. JOHN HOLLIS BANKHEAD, late a Senator from the State of Alabama.

*Resolved*, That as a mark of respect to the memory of the deceased the business of the Senate be now suspended to enable his associates to pay proper tribute to his high character and distinguished public service.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

The message also announced that the Vice President had appointed Mr. WALSH of Montana and Mr. FRANCE members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Interior Department.

The message also announced that the Senate had disagreed to the amendment of the House of Representatives to the bill (S. 643) entitled "An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia," had asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. WADSWORTH, Mr. SUTHERLAND, and Mr. CHAMBERLAIN conferees on the part of the Senate.

#### IMMIGRATION.

The committee resumed its session.

Mr. VAILE. Mr. Chairman, in behalf of the chairman of the committee, I yield five minutes to the gentleman from Kentucky [Mr. SWOPE].

Mr. SWOPE. I will yield that time to my colleague, the gentleman from Kentucky [Mr. ROBSON].

Mr. VAILE. Then, Mr. Chairman, I will yield 10 minutes to the gentleman from Kentucky [Mr. ROBSON].

The CHAIRMAN. The gentleman from Kentucky [Mr. ROBSON] is recognized for 10 minutes.

Mr. ROBSON of Kentucky. Mr. Chairman, I desire to make a unanimous-consent request to revise and extend my remarks in the Record.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to revise and extend his remarks in the Record. Is there objection?

There was no objection.

Mr. JOHNSON of Washington. I yield to the gentleman from California [Mr. RAKER] 15 minutes.

Mr. RAKER. Mr. Chairman and gentlemen of the House, I consider this bill as one of the necessary reconstruction bills following the World War. It is not a question of just what should be the amount or kind or character of immigration to this country. We need and always have required a reasonable amount of immigration. But it is apparent from the investigation of the committee that beyond all question there are now in the United States something like 15,000,000 people who are not American citizens. There are coming to the shores of America now all the way from 65,000 to 150,000 people a month. In other words, immigration at the present rate will amount to over a million and a half a year. Our country is not determined as to just what it wants to do, and the people of the world are in the same condition, even more so than in this country. Hundreds and thousands of them are trying to get out from under the burden that has been placed on them by virtue of the war. They are not seeking necessarily the benefits of this country because they want to become citizens and be a part and parcel of America and to carry out the principles upon which this Government is founded. The great majority of those who have come already since the armistice and of those who are seeking admission now are dependents. They are not farmers or laborers, but are coming to live upon their relatives and friends and on the bounty of this country. The evidence shows that beyond all question. With the large number of contagious diseases that are prevalent in the Old World, many hundreds of persons afflicted with those diseases are bound to land on our shores, notwithstanding the inspection here, because the inspection as to physical and mental condition is exceptionally poor, on account of the fact that there are not enough inspectors or agents. Many of the immigrants who arrive here just practically walk off of the vessel on the landing planks and scatter promiscuously among the people of this country. So under the conditions which exist to-day it is better to let immigration be suspended, and to let us assimilate those who are here now, than to continue this overflow of the many, many undesirables who are coming at the present time. That is the purpose of the committee in reporting this bill. It excludes all. There is no discrimination against any country or race. All are excluded with the exception of Government officials and certain relatives of those who are now living in this country. We allow a man 24 years old to go abroad and be married if he desires and to bring his wife to this country. Notwithstanding these exceptions, the Secretary of Labor has the power to make investigations, and it is his duty, if there is any possible reason, notwithstanding the relationship of these people, why they should not be admitted to this country, to see that they are excluded, and that is one of the purposes of the bill.

Now, no one can object to a clearing up of this business. No one can object to putting our own house in order. No one, no matter how anxious he is for immigration, can object to our taking time to assimilate those who are here, to see that they are citizens; that they take unto themselves the principles of this country and study its institutions, in order that we may further extend our work of Americanization, so that those who have come to this country within the last 10 years may become citizens; that they may love, honor, respect, and assist in maintaining our Government; and that they may imbue their children with the same ideas. Instead of that we find communities in this country that are as foreign as to language and thought as any city in any foreign land to-day. That must be avoided, and now is the time to stop.

Mr. McKEOWN. Will the gentleman yield there?

Mr. RAKER. I yield for a question only.

Mr. McKEOWN. Does the gentleman's committee propose legislation at this session to prevent that condition existing in this country?

Mr. RAKER. Yes; we are working on it now. We have been at work for the last two years. The work of Americanization is going on every day, and hundreds of thousands of foreigners are being put in the way of becoming good American citizens. We ought to expend more money for better investigation, to the end that this work may be carried on in connection with the various State functionaries that are doing such splendid work. Now, on the question of investigation, I wish to show one of the necessities for it.

In the smaller communities over the country the men who are naturalized appreciate the naturalization. They realize that they have gone through some process of form or substance of what is meant to become an American citizen. Without making any complaint or criticism, I want to call the attention of the committee and the attention of the gentleman from New

York, who says it is all in the naturalization, to the method in the large cities. Now, in the meantime, during this suspension we will be able to report to the House bills on naturalization correcting and modifying the present law so that they will get a better realization of what they are doing than we are getting to-day. But you must give us time to do it and give the public time to do it.

Here is a sample of the naturalization in the large city of New York that occurred last year in the presence of this committee, not only once but several times. You can be naturalized in the Federal courts or the State courts when it is a court of record. One hundred and twenty-five applicants appeared before the judge, with 250 witnesses. Think of it a moment; in 90 minutes, the State court of New York, in the city of New York, naturalized 125 citizens. The bailiff says, "All of you from Italy come forward, get around here, stand in there, line up, come on, hold up your hands. Br—br—br—br—. Sit down. All of you who come from Austria come forward, get in line, stand up, hold up your hands. Br—br—br—br—. Sit down. All of you who come from England come forward, hold up your hands. Br—br—br—br—. Sit down." They went through 10 nationalities, and when they got through the court made a two-minute examination as to American citizens, and said, "So help you God," and that is the theory of the instruction to these men as American citizens.

Now, in the city of New York, or in any other large city, it is so crowded with business that the judge can not give a sufficient length of time to examine the witnesses that come before him or examine the applicants as to where they come from, their knowledge of the English language, and whether or not they ought to be admitted as citizens.

Mr. MASON. Will the gentleman yield?

Mr. RAKER. I will yield to the distinguished ex-Senator.

Mr. MASON. I want to call the gentleman's attention to the fact that before the judge passes upon the admission of these applicants the papers are all examined and made out by the proper officers.

Mr. RAKER. Oh, yes; the committee spent some time in the presence of these officers who examine these papers and persons. We found the same method of examination in the Naturalization Bureau. Here were two little rooms, 10 by 12, and in one room five stenographers and assistants and in the other six or seven, and they were crowded so thick with applicants that they bumped against each other. They brought the applicant in with two witnesses, and the witnesses were asked, "Do you know this man; will he make a good citizen; and would you like to be an American citizen?" "Yes." "Well, go on." And they are run through there like sheep, dropping a little pebble when you get 100. That is the way they examine them in New York by the Bureau of Naturalization.

Now, the committee has not taken any second information on this. They saw what was going on in the Bureau of Naturalization. They saw it not only once but several times, and in the courts also, by these men who were being naturalized.

Now, that is one remedy—suspend immigration for two years until we get those here naturalized. Let these applicants have some conception of what it means to become an American citizen. We should make a sufficient appropriation so that the Bureau of Naturalization, in conjunction with the superintendents of the counties of the various States and the city superintendents may get these men and women into these night schools where they may receive instruction as to what this Government means, so that they will be able to read and write and understand the genius of our Government.

Now, a great part of that will be done in the next two years, relieving them of the enormous burden and expense. Then when the two years have passed and gone and things will have been changed here, conditions abroad will have settled down to a better state, people will be more contented than at the present time, and we will be able to enact an immigration bill whereby we will be able to admit to this country the aliens from another country who have some conception at least before they come here that they are going to become a part and parcel of this country and spend their remaining days on American soil and be imbued with its principles and where they will be protected by society instead of having a purpose to destroy this Government, as has been done for the last four years. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. WELTY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JOHNSON of Washington. Mr. Chairman, I yield to the gentleman from Maine [Mr. HERSEY].

Mr. HERSEY. Mr. Chairman, I can not discuss this matter in the short time yielded me, and I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN (Mr. LEHLBACH). Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. SABATH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ROWE].

Mr. ROWE. Mr. Chairman, I am not so much afraid of the immigrant as some Members of this House appear to be. I have lived in the city of New York a great many years and have met and had business relations with a great many who came over as immigrants. Up to 1914 we received into this country a net of about a million a year. This year we will probably receive into this country 700,000 or 800,000. Of every two who come to this country one is going back. There is no great reason why we should take this up at this time. The people who come here are not of a poorer class than those who have come here during the last 20 years. I know considerable about the conditions. I was present at Ellis Island, went down on the ship that sent the 249 undesirables back to Europe, where they should have been sent long ago. I have been twice during the month of November to Ellis Island to see what the conditions were at that place. The last time I was over to Ellis Island I took with me a prominent citizen of the State of Iowa, because in the papers of Iowa he had read very often that undesirables were coming to this country, and wanted to see for himself the conditions at the island. That was about three weeks ago. The island was full of people and we had a splendid opportunity to examine the situation. We spent more than three hours there. When he came back on the boat and met several people at dinner that night I remember that the very first remark he made was to the effect that the immigrants whom he saw coming in at Ellis Island were of a much better class than one would believe from reading the newspapers of his own State or the papers of Chicago.

The fact is that in this country we need laboring men and women of certain classes. We are paying now in the city of New York for ordinary shovelers to dig trenches in which to lay a sewer or a water pipe from \$4.50 to \$6 a day. We are paying from \$6 to \$9 a day for hod carriers. It is not because we have not plenty of men in this country. The fact is that our people of the second generation in this country will not carry a hod or dig a trench. We need the men on the farms. We have a great need in this country of competent women to do housework, and there are in Europe men who are willing to do this hard work in America and women who are capable and willing to do the housework. I believe in restrictions. I would have a very careful examination. I would not have it made under labor-union organizations. They represent only about one-ninth of the laboring men in this country. They should not have the power of saying who shall come and how the laws of this country shall be administered in respect to who is to be permitted to come into the Nation. I want to have restrictions. I think that for a limited time we might stop immigration in this country long enough so that Ellis Island may be made a proper place in which to receive all of the immigrants who desire to come into the country.

Mr. JOHNSON of Washington. Is not that exactly the purpose of this bill—a suspension of 22 months?

Mr. ROWE. Yes; but 22 months is too long. We are a very incompetent Congress if we can not prepare laws and prepare Ellis Island to receive immigrants within 12 months. If that is the fact, then we ought to be ashamed of ourselves and of the Congress of the United States. On the other hand the very best material can be received by us from Europe. Why not pick out not all of them, not two-thirds of them, but a third of the men and women who want to come to this country, the very best material of all Europe, as workingmen and working women, and have them come into this country, and come regularly. It seems to me that while we need more restriction, we need a more careful examination of applicants to this country. They should first be carefully examined on the other side by officials of the United States duly authorized to examine there, and then, having reached this country perhaps it is best that we should still submit them to a further examination. On the other side they can know whether a man or woman is desirable, whereas on this side we are not qualified to judge of that fact.

I yield back the remainder of my time.

Mr. SABATH. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McCLINTIC].

Mr. McCLINTIC. Mr. Chairman and gentlemen of the committee, I feel that the Immigration Committee is entitled to the thanks of this body for bringing in a bill of this kind during the early part of this session. There is an old saying, "A stitch in time saves nine," and this saying, in my opinion, is apropos of the condition that exists in the United States at the present moment with relation to the need of a law which will protect the citizens of this country from the foreign immigrants who are fleeing to our shores to escape the heavy taxation in the war-devastated regions of Europe.

Some time ago it was my privilege to visit Ellis Island, not as a member of the committee but as a private citizen interested in obtaining information relative to the situation which exists at that place. I stood at the end of a hall with three physicians, and I saw them examine each immigrant as they came down the line, rolling back the upper eyelid in order to gain some information as to the individual's physical condition. I saw them place the chalk marks on their clothing which indicated that they were in a diseased condition, so that they could be separated when they reached the place where they were to undergo certain examinations. Afterwards I went to a large assembly hall where immigrants came before the examiners to take the literacy test, and the one fact that impressed me more than anything else was that practically every single immigrant examined that day had less than \$50 to his credit.

Mr. GOLDFOGLE. Will the gentleman kindly yield?

Mr. McCLINTIC. I will.

Mr. GOLDFOGLE. Will the gentleman recognize the fact that many of the most excellent citizens of this country came here without \$50 in their pocket, made their way, and builded splendidly for the welfare of the country?

Mr. McCLINTIC. That may be true; but there is not a Member of this House who could have looked upon that body of immigrants as I did that day but what would recognize that they were of an undesirable class. Practically all of them were weak, small of stature, poorly clad, emaciated, and in a condition which showed that the environment surrounding them in their European homes were indeed very bad.

It is for this reason that I say the class of immigrants coming to the shores of the United States at this time are not the kind of people we want as citizens in this country. It is a well-known fact that the majority of immigrants coming to this country at the present time are going into the large industrial centers instead of the agricultural centers of the United States, and when it is taken into consideration that the large centers are already crowded to the extent that there is hardly sufficient living quarters to take care of the people it can be readily seen that this class of people, instead of becoming of service to the communities where they go, they will become charges to be taken care of by charitable institutions. The week I visited Ellis Island I was told that 25,000 immigrants had been unloaded at that port. From their personal appearance they seemed to be the offcasts of the countries from which they came.

The cost of living in the United States has increased several hundred per cent in the last few years. Those who are coming to our shores are not able to speak our language; they only have a small amount of money on hand, and it is only a question of a few weeks until their resources will all be used up. I have been told that there are certain individuals in this country who make it their business to exploit immigrant labor coming from certain countries. The immigrant, realizing that he can not speak our language, naturally turns to a former countryman for help, and instead of enjoying the fruits of his labor a large portion of what he earns is taken from him as a commission for the assistance given him. If the immigrants coming to this country were of a class that sought employment on the farms and were capable and willing to render this kind of service to the Nation, then there would be no reason for this legislation. However, the opposite is true, and instead of becoming producers they at once become consumers, thereby working a hardship on every industry throughout the Nation.

I am sure that the United States Congress has no desire to cast any reflection against the citizens of any country. However, the law of self-preservation is one that must always be observed and respected, and it is for this reason that the American citizen, regardless of the occupation he follows, must be protected from being undermined by this class of people.

The Nation at the present moment is going through a reconstruction period. Thousands in many of the large cities have recently been thrown out of employment. Conditions from many standpoints have been gradually growing worse. The first duty of our country is to provide employment for our own people, and until normal conditions can be restored it will be the part of wisdom to close the doors of our country until every condi-

tion can be restored to a normal basis. It is for this reason that I am supporting this bill, and I hope to see it enacted into a law by this Congress.

Mr. SABATH. Mr. Chairman, I yield four minutes to the gentleman from New York [Mr. DONOVAN].

Mr. DONOVAN. Mr. Chairman and gentlemen of the committee, I agree in the main with the remarks of my colleague from Brooklyn [Mr. ROWE], and I think he epitomizes in a fair, judicial manner the circumstances with which we are confronted. The gentleman from Kentucky [Mr. ROBSON] made a correlative statement of immigration with our imports which implied that we should set up a barrier against all things foreign. Of course, such a policy should be deprecated. I prefer the constructive criticism of the gentleman from Brooklyn, where he laid down something definite that might be worked out for the benefit of our country and for these people who seek liberty under our Constitution; his suggestion that there be agencies distributed throughout Europe and other countries where these people would be checked up and investigated and the good taken from the bad and permitted to come here is, I think, feasible, just on the same basis and manner as our consular agents and commercial agents. The Department of Commerce has already initiated an activity along that line. I believe in restriction, reasonable and fair, and I am of the opinion that 2 years or 22 months is arbitrary and excessive. I believe it is unnecessary, of course, to refer to every American born or every foreign born who is in this House who is at best an immigrant only in different degrees. There is one, however, my colleague, JOHN MACCRATE, who sits on the Republican side of this House, who will have served by March 4 next, one term in this Congress, born in Scotland within the last 40 years, a resident of Greater New York, and which the great electorate of that city honored on November last with one of the greatest possible honors that could be given to a man within that State, elected him, this young Scotch immigrant, for a period of 14 years, at a salary of \$17,500 a year, as justice of the supreme court. Here is a young man of sterling character and of admitted legal ability who would have, if this law was in force when he was a wee lad, been denied this distinction and honor. He is a type of many others who would be excluded if this measure were passed as proposed. I believe it has not been given the thought and consideration from a technical standpoint which should be given to it. My friends, as it is now reported I oppose it and hope that it will be so corrected to fit the circumstances where the immigrants who are desirable and anxious for our advantages can come to this haven of the oppressed, this land of promise and opportunity, and contribute in its development and advancement. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIEGEL. Mr. Chairman, I yield eight minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I am not in condition to do this subject justice, but I can not be silent—I think from a sense of duty—while this bill is so hurriedly passed through the House of Representatives. I want to say for my fellow immigrants [laughter] in the House—you are all immigrants; what have you got big heads about; every one of you. If this bill had been passed 50 or 100 years ago hardly any of the House would have been here. It would have kept the Pilgrim Fathers out. They had no passports. The meanest thing about this bill—and I say that with all respect to my good friends who framed it—is that the whole theory that this was to be the land of the free and the home of the brave and an asylum for the oppressed is destroyed by it. You must have a passport if you want to escape the rule of Lenin and Trotsky.

You can not escape unless you get a passport from them, and this Government does not recognize the Soviet Government. It would have kept Kossuth out when he came to speak here for the liberty of Hungary. It would have kept Thomas Estrada Palma out, who came to speak for the liberty of Cuba. He could not get a passport from Spain, and to-day this little island of Cuba is blossoming, a beautiful, strong, young Republic. You propose to-day by this bill to say that no man, however good or strong of arm, that no man, however much in love with the principles of our Government, can come from India or Ireland or South Africa without a visé of the king. By article 10 we guaranteed the territory of all nations. The people knocked that out. You now propose to enact into law that provision by guaranteeing that the kings of the earth shall not be deprived of their right to govern the brain, blood, and bone of all their subjects. An honest, brave man fleeing from the power of the king you propose to deport and send him back to prison or the gallows if he lands on our soil without the consent of his master, the king.

To my colleagues on the Republican side, let me say to you, gentlemen, you are making a mistake personally and politically. But, bigger than that, you are making a mistake for your country. All of the treaties that we have will be amended or abrogated by this law, except possibly where there is a special treaty like that with Japan. We want peace and good fellowship. By this bill you turn the people of the world against us. You put into the mind of every man, woman, and child all over the world that this great country has suddenly drawn the cloak of seclusion about herself. You say by this bill, "Young man, have you got money?" "Yes." "Royal blood?" "Yes." "Do you want to go to school?" "Yes." "Come in." But if the Norwegian stands here with a strong hand and warm heart, in love with the doctrines of your country, you say to him, "Stay out unless you can go to school."

The trouble about this, my brother immigrants, is that the fault has been in the execution of the law we have. No man can come here who does not subscribe to our doctrines. The description given by my friend the gentleman from California as to granting of citizens papers in our courts was not fair. I have seen them go through the United States courts. They are all examined. I saw them stand there. They did go fast before Judge Landis the other day, I noticed, but every one of them had been examined; their papers had been examined; the living witnesses were there as to their character and reputation.

The trouble in the immigration subject is where it has been all the while for eight years—inefficiency and incompetency in the execution of the laws. We do not need this law to shut out these people who want to come here. We do need—and the people have spoken—to give a new administration to this Government. And I hope and pray that the law we have will be enforced and that there be no more talk about the danger of the immigrants coming into this country and the danger and hysteria about the bolshevik. This country can take care of itself. All the Bolsheviki in the world can not hurt us. They may disturb us for a while, but the Bolsheviki can not come in here under the present law. The people have given you a new administration; we will have a new Attorney General; we will have a new administration of the department. Let us see what they can do. Let us see whether they can not protect the American people from the things you are talking about. But to me the most unsentimental, the most selfish, un-American, unpatriotic thing is the ungodly desire to crowd every man off the earth because we do not want to compete with him. We get a prejudice; and you know that largely the basis of this is the prejudice against the Jews. Tell the truth about it. We are not afraid to speak the truth, are we? There is a prejudice against the Poles; there is a prejudice against the Germans; there is a prejudice against the Irish.

It is a prejudice also against any nation in the world that is seeking to adopt the doctrine of self-government, that has the cruel hand of Great Britain at her throat. South Africa wants to be heard. By unanimous vote of her Congress she declared for self-determination. Within the memory of us here now, we saw Great Britain kill that young republic. They want a chance to come here. Her people want that chance. But they have got to get a visé from the king, George.

There is war in Ireland. Ninety per cent of the people have spoken for self-determination. They have established a de facto government. We are not neutral. We refuse to recognize one but do recognize the other. Some of them want to come here. I remember my great leader, sir, in politics, was John A. Logan. I remember that he saved the day at that critical hour in the war, and I remember that he was the son of an Irish immigrant. They want to come here. Here is this poor, brave woman, Mrs. McSwiney; she could not be here 24 hours if we passed this bill, without a visé from the king. He is not her king. The people of that country have spoken. A larger percentage of Ireland are back of De Valera to-day for president of Ireland than there was back of George Washington when he established our Republic. A larger percentage are for that freedom to-day in Ireland than was back of Abraham Lincoln when he maintained the Union—a larger percentage of the people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MASON. I would like to have two minutes more.

Mr. SIEGEL. I yield two minutes more to the gentleman.

Mr. MASON. Just one illustration of this selfishness of us immigrants, the Masons through Scotland and the Campbells from the same country. A lot of you came along from Ireland and some from Germany. You are here now and have gotten on your feet, and do not want anybody else to have a chance.

I read a legend once of an old stingy grouch who was in hell, and who appealed to an angel to help him. The angel said, "Name one good thing you ever did and I will try to help you."

He said "I gave a carrot once to a poor boy." Immediately a carrot appeared before this grouch in hell. They got hold of him and began lifting him out of the pit, and just as they were going to deposit him out of hell-fire and damnation, he saw some other fellows clinging with him to the carrot. He said, "Get out of here. This is my carrot." And the angel very properly dropped them all back to hell, where they belonged. [Laughter.]

Gentlemen, this is not our carrot alone; it is not your world, your country alone; it is not my country. The people who have developed this country have come from all over the world. England is not the mother, but all of Europe. We have made this country. You have good laws; let us enforce them. Let us have a President in evidence on the 4th of March who will appoint men to see that those who come in here are sound of limb and of mind and can become good American citizens. It is a part of the world. It is not your country or mine alone; it is God's country. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. DONOVAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. The gentleman from New York asks unanimous consent to revise and extend his remarks in the Record. Is there objection? [After a pause.] The Chair hears none.

Mr. SABATH. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, I speak on this measure as an old-fashioned American, as one who comes of a stock so long in America that there is no record of when they came. So that I may be pardoned, I hope, for taking an old-fashioned American view of this question and for not adhering to some of the remarks which have been made upon this bill. I hold to old-fashioned ideals of Americanism and not to the new-fangled, narrow, and chauvinistic spirit of nationalism. I still believe in the principles of Jefferson, in the principles recognized in the American Constitution, and in some of the old ideals for which our ancestors labored and fought.

It has been charged that this bill is an anti-Semitic bill, that it is aimed particularly at the Jews of Europe who are seeking to come here. To such an extent, if any, as the bill has the Jew particularly in view and aims at his exclusion, the bill is irredeemably bad. I have no hesitation in saying that.

I read in the report of the committee a very significant statement, a statement of sinister significance, found on page 6, which is this:

The committee has confirmed the published statements of a commissioner of the Hebrew Sheltering and Aid Society of America made after his personal investigation in Poland, to the effect that "If there were in existence a ship that could hold 3,000,000 human beings, the 3,000,000 Jews of Poland would board it to escape to America."

I also read in the appendix, on page 11 of the report, comment on the situation as to applications for passports for emigration from Rumania:

Bucharest: Possibly 10 per cent of applicants are Rumanians from Transylvania or the Old Kingdom. The remainder are Jews, mostly from Bessarabia and Bukovina, practically all, except women and children, being petty merchants or salesmen. It should also be noted that the proportion of men emigrating is increasing and that not a few are probably fugitives from Ukraine who have managed to obtain Rumanian passports. Ninety per cent of applicants are Jews of both sexes and all ages.

I wonder, in the light of those statements, why it is that the Jews of Ukraine and Rumania are seeking to escape, and why the Jewish population to the last individual is seeking to escape from Poland. I wonder why it is. Their economic situation is not more severe than the balance of the populations of those countries. There exists no reason, so far as I can conceive, unless the Jews are meeting in the countries of their nativity with oppression and abuse on racial and religious grounds. I can draw no other inference from the fact when a nation's entire population of a certain race and religion is seeking to escape from that nation.

I read with deep indignation accounts of Poland's anti-Jewish pogroms, of the butchery of men and women in cold blood. The stories of these atrocities were denied by representatives of Poland. Now we find them verified by the wholesale flight of the Jewish population. I can not forget that the new State of Poland was brought into being by the aid of America and her associates in the Great War; that we have succored and sustained the Poles, furnished them supplies, and loaned them money from the public funds. More than that, we furnished many millions of dollars in supplies and munitions with which Poland might repel the bolshevist invasion. I am deeply disappointed by the failure of Poland to appreciate the spirit in which American aid was given. America can not, and will not,

be partner and companion with bloody-handed oppression of race and religion.

I have in mind also that Ukraine and Rumania are reaching out their hands to us for help. Already we have given substantial aid to Rumania. These people must be made to know that our country will not countenance rapine and murder; that we will not aid those who commit atrocities upon a harmless and inoffensive people.

The present "white" Government of Hungary owes its existence in part to aid and sympathy extended by our Government. It has repaid our humanitarianism by a "white terror" of its own. A recent dispatch states that 15,000 Jews have been gathered in Budapest and condemned to deportation. They are being persecuted on racial and religious grounds.

One bright spot in that part of eastern Europe, where Jews live in large numbers, is Lithuania, from which no reports of oppression and pogroms have come. Lithuania seems disposed to treat the Jews fairly, and although some of its largest cities are more than half Jewish, Lithuanians are not trying to come to America in overwhelming numbers. It speaks splendidly for the Lithuanian people and their spirit of democracy and humanity.

It is a pathetic fact, one of the deepest pathos, which should wring the heart of every humanitarian, that after all the Jews have suffered in the terrible war they must now abandon the countries for which they offered their lives and flee to a distant land to escape religious and sectarian persecution.

Of all the peoples of the world, no people, unless it may be the Armenians, have suffered so universally and so greatly because of the Great War as the Jews. Living, as they do, chiefly in eastern central Europe, in territories which were ravaged and overrun again and again by the contending forces, crushed under foot by every invader, their homes destroyed, their families outraged, their possessions swept away, their desperate situation to-day makes overwhelming claims upon the humanity and sympathy of all mankind.

They served in our own Army. They offered their lives in support of our flag. They served in the allied armies, in the armies of Germany and Hungary and Austria and Poland and Russia, and no man anywhere can point his finger at the Jews as a people and say that they shirked their patriotic duty. But now, having served and having done their best, having suffered alongside of the most unselfish, they find themselves persecuted and driven away from the countries they fought for; they must abandon their homes; they must come to a strange country; they must seek new hopes and new fortunes in a distant land. The situation must appeal to any heart that has any sympathy.

The Jews as we have them in America—and of course we have them from every country of Europe—furnish a valuable element in our people. I would not have them away. It is too late to say that the Jew can not be assimilated in America. We have the Jew in such numbers that there is no use in discussing that question any longer. He can be assimilated; he has been assimilated in the past, and he will be assimilated in the future. There are no people who come to this country who are so ready to lay aside their allegiance to foreign governments, to foreign flags and foreign institutions, and to embrace those of America.

We had a good deal of spy hunting during the recent war. We had charges of men being slackers and of being objectionable hyphenates. Men were charged with disloyalty, with loving some other country better than America. But nobody pointed to the Jews and said they were guilty. On the contrary, the Jew was always willing to say, "I am an American, I love America, I am willing to stand by the institutions of my adopted country." No Jews in America were partial to Hungary or to Germany or willing to betray our cause and our flag in behalf of any country that lay across the seas. Always they held our institutions and our interests above those of their native land.

And I say it is a peculiarly pathetic situation which is presented here just after the war, when we have had this splendid evidence of Jewish loyalty and patriotism as citizens. It is a peculiarly pathetic situation that here is presented a bill that is aimed at the Jews. I am not willing to have this bill aimed at the Jews. We should attach to it certain reasonable and proper amendments which would open the doors of this country as an asylum to people like the Jews and the Armenians, who are being oppressed at home on racial or religious grounds. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. HUDDLESTON. Mr. Chairman, I ask leave to extend my remarks.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. MASON. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Illinois makes the same request. Is there objection?

There was no objection.

Mr. SABATH. Mr. Chairman, will the gentleman from New York [Mr. SIEGEL] use some of his time now?

Mr. SIEGEL. How much time have I left, Mr. Chairman?

The CHAIRMAN. The gentleman has 21 minutes remaining.

Mr. SABATH. That includes the seven minutes used before.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield me four minutes of his time?

Mr. SABATH. How much time have I remaining, please?

The CHAIRMAN. The gentleman has 22 minutes remaining.

Mr. SABATH. I will yield two minutes of my time to the gentleman from Washington.

Mr. JOHNSON of Washington. I have one minute, and that will give the gentleman from Wisconsin three minutes to close the debate.

Mr. SIEGEL. I will yield two minutes.

Mr. JOHNSON of Washington. That will be five minutes in which to close the debate.

Mr. SIEGEL. I yield five minutes to the gentleman from Kansas [Mr. WHITE], a member of the committee.

Mr. WHITE of Kansas. Mr. Chairman, it is variously estimated that there are now in this country from 1,000,000 to 2,000,000 idle laborers. It would seem to me that under the conditions which are developing in this country, and becoming more acute from day to day, it would be an unwise policy to leave unchecked the great influx of immigration now coming in our direction. It is frivolous for any man to say that wages have not been reduced when four cotton mills in a single week announce a working schedule of from one to two days per week. Banks are failing, factories are closing, and I say to you, gentlemen, that there is no more effective or fatal way to reduce wages than to announce the closing of factories and the cutting down of working schedules.

I take it, gentlemen, that the American Constitution was written for America, and in this bill you find the vindication of one of those great principles announced in this preamble, and that is the promotion of the general welfare. Gentlemen, I could not oppose this bill unless I were to assume an international benevolence of which I am not the possessor. I am not the kind of American who would surrender that which is most valuable to us to those who can give us nothing and who promise us nothing in return. We are to-day in the throes of the most terrible reaction and readjustment that this country has ever experienced in my memory, and I remember as a boy the readjustment subsequent to the Civil War. My distinguished colleague from New York [Mr. SIEGEL] in his remarks was disposed to emphasize the defects of our Americanization work; but with all its defects, which are obvious, the opponents of this bill should remember that it proposes to minimize the aggravation of that condition which would result from the opening of our doors. [Applause.]

The gentleman from Illinois [Mr. SABATH] presented, as an offset to the employment situation, that if it were true that wages were declining, if it were true that there is unemployment in the United States, that those coming to our shores might return; but the fact is that they would not return to the war-desolated and socially disorganized countries of Europe, but would be well content, and no doubt supremely happy, to work for a wage of one-half or less the American standard and account it a good living wage when measured by their lower standards of living, and these immigrants would displace our own laborers and inevitably degrade our high standards of life heretofore maintained by the American laborer.

Nor is it pertinent to this subject for gentlemen to assert that there is no surplus of farm labor, for gentlemen should know, if they are informed upon the subject, that the labor coming is not adapted to the farm. It seldom seeks agricultural employment. If it were from England, Ireland, France, Belgium, Denmark, Norway, or Sweden, it might and could be very usefully so employed. It may well be stated here at this time, for be it known that farm labor is skilled labor and it requires a generation to produce a successful farmer. He must know a thousand things that other men do not know and of which they have not even a remote knowledge. There is to-day no inducement for any man here in this country nor yet for anyone outside of this country to come here to engage in agriculture. In the brief time allotted me I can not recapitulate the hard conditions now pressing down upon and threatening the utter ruin of that great industry, which more than any other one thing furnished the sinews of war in the great world struggle between the systems of an autocratic power and free government. The farmer is not resentful. He

is not revolutionary and he is not splenetic and rash. But the commercial injustice, the relative inequality of the prices of his products as compared with the prices of all that he buys and all the ultimate consumer buys, the evidence of which condition is apparent on every hand and which no one denies, may easily be the most serious problem confronting the American people and the American Congress.

Do gentlemen contend there is not inevitably a reduction in wages impending, an important reduction? Do gentlemen believe that the farmer who can not sell his product for 50 per cent, in many instances, of the price obtainable for the past three years will pay six, eight, and ten dollars per day for labor to harvest, thrash, and care for his crops? They must, perforce, reduce cost of production by reducing the cost of labor or they must reduce production and thus maintain prices, if it shall be possible to do so, or they must be themselves reduced to abject industrial ruin. The object of the predicted enormous influx of immigration presents a serious question from the social viewpoint. We know that there are here to-day a large number and millions more ready to come that are not readily assimilable. We can not for any reason afford to assume an attitude of indifference to a situation which threatens to vitiate our civilization.

Mr. SIEGEL. I yield five minutes to the gentleman from Massachusetts [Mr. WALSH].

Mr. WALSH. Mr. Chairman, I have been unable to ascertain from the gentlemen who are members of this important committee just what is the reason that impels them to report such a drastic piece of legislation. We are told that hovering in the distance there are millions of people seeking to come to the United States. If that be true, and if that be the reason, why is it necessary to say that none of them shall come, in order that the citizens of our country shall be protected? We have also been told that there are many undesirable classes in Europe who are seeking admission here. If that be the reason, is it necessary to shut out those who are desirable? Oh, I recall when the section of the country which is now so very ably represented by the distinguished chairman of the Committee on Immigration [Mr. JOHNSON of Washington] was not so particular about who should come or in what numbers should come the immigrants; when certain great cities on the western coast were anxious to outstrip their sister cities in population, and they invited immigrants and others to come there irrespective of their previous condition or their present fortunes.

I was a little astounded to hear the present occupant of the Chair [Mr. FESS], who presides over this committee with such grace and ability, announce yesterday the doctrine of organized labor, that not only should we cut out the cheaper-made goods of Europe from our markets but that we should absolutely prevent admission here of the laboring classes who might perhaps be willing to work in open shops at a lesser rate of wages than those who belong to organized labor and to the unions.

I believe we are acting upon insufficient knowledge; that we are attempting to take too radical a step. We are making too wide a departure from the policy heretofore enforced in this country. We are attempting to cure a slight disease, a slight blemish upon the tail of the dog, by cutting off his tail behind his ears.

Two years! Who expects that this unrest is going to continue in this country for two years? I listened with great interest to the distinguished industrial expert from the plains of Kansas [Mr. WHITE] when he cited the instance of one or two factories running four days a week. Why, my friends, there are nearly 30,000 factory employees idle in the city which I feebly struggle to represent, together with the rest of my congressional district in this House. Those factories are idle to-day. The looms are silent, and only two or three are working upon anywhere near a full schedule of time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIEGEL. I yield to the gentleman three minutes more.

Mr. WALSH. Mr. Chairman, that is not because of the fault of immigrants coming to our country. It is because of an economic situation. It is because under the existing schedules of the tariff we are unable to compete with foreign goods. But who shall say the time has come when we must say, "We have grown to 105,000,000 people, and we will rely upon those within our own borders for the further increase in our population"?

I agree with the committee that the time has come to give serious attention to the immigration question and to see that thousands and hundreds of thousands who after they get here turn out to be undesirable should be excluded; but I do not believe that the proper way to go about that is to shut up the gates and lock them fast for two years, as you do practically in this bill. In the first place, that period is altogether too

long. Two years are a long time. In the second place, I believe that we can tighten up the existing immigration laws. We can give more funds to the department to enforce the law; and we can see to it, as it will be seen to within a few short weeks, that men are put in positions of trust in that department who will enforce the law according to its letter and spirit, a thing which has not been done during the past few years. But I feel that if you close these gates, lock them fast for two years, you are but postponing conditions, and that you are doing an injustice not only to many desirable immigrants who come here with a firm faith in our Government, with a firm intention to abide by its laws and become good citizens, but you are going to do an injustice to many of those now in this country who may desire others to come here and make a success in life as they have done. I trust that the committee will not seriously oppose an amendment to reduce the period within which all these immigrants practically should be excluded. [Applause.]

Mr. SIEGEL. Mr. Chairman, I yield the gentleman from Texas [Mr. PARRISH] two minutes.

Mr. SABATH. And I yield, Mr. Chairman, to the same gentleman three minutes.

Mr. PARRISH. Mr. Chairman and gentlemen of the House, during the 10 years immediately preceding the outbreak of the European war the average number of foreigners coming to this country annually amounted to more than 1,000,000. Since the war, due to lack of transportation facilities, the average has not been so great, but we are now told that an average of from three to five thousand foreigners land daily in New York for admission to the United States, and this represents only about 80 per cent of the foreigners coming into this country through all places of entry. During the years of the immediate future the number of immigrants to this country will be limited only by the carrying capacity of the ships available for passage. In fact, we are reliably informed that 2,000,000 Germans are now anxious to get immediate passage to the United States, and it is said that the entire population of Poland, estimated at 3,000,000 persons, would take passage to the United States to-day if the opportunity were afforded.

Italy has sent large numbers of her population to this country during recent months and no doubt will send large numbers in the near future unless some action is taken by the United States. In fact, due to the remarkably unselfish and effective part that the United States took in the recent World War, our country has become the favored nation of the world, and the unfortunate, dissatisfied, or adventurous people of every nation on earth are now turning to this country, and unless this Congress takes some action staying the mighty tide of immigration that is flowing in our direction we are going to find millions of foreigners landing in this country as fast as it is possible for them to get here.

An inspection of the character and kind of immigrants coming to this country at this time convinces us that the great per cent of them are nonproducing and nonsupporting men and women. In fact, it is estimated that between 80 and 90 per cent of those reaching our shores in recent months have been consumers only, and without any visible means of support; and it goes without saying that such a mass of population as this will add to the number of unemployed in our country, already variously estimated at from 1,000,000 to 2,000,000 men, and will further tax the capacity of the producers of this country.

Not only are a large majority of the immigrants nonsupporting, but from past experience we know that a large per cent of them, at least, are not in sympathy with America and American institutions, and a good majority make up the criminal class that is causing so much concern throughout the entire United States. Mr. William Shaddock, foreman of Kings County grand jury, New York, recently reported the conditions actually existing in his county, and in this connection made use of these significant paragraphs:

A study of the record of our proceedings shows that all of the homicides and most of the graver, more desperate, and heinous crimes were committed by foreigners, who palpably have no understanding of the genesis or genius of American institutions. They not only have not been assimilated, but seemingly are unlikely under present conditions ever to be assimilable.

The facts as to many of these crimes show the presence in this city of foreign colonies whose existence is a perpetual menace to the lives and property of our law-abiding and law-loving citizens. From the testimony of witnesses, some of whom were participants in these heinous crimes, it has been clearly revealed that interracial hatred, with their attendant feuds and vendettas, have been transplanted to this country. These feuds have been aggravated and perpetuated by the increase and extension of these foreign colonies.

If the grand juries of the other sections of the United States where foreign elements predominate were to make reports, I have not the slightest doubt but that we would find great unanimity in their reports corroborating the report of the grand

jury of New York. As a matter of fact every President who has fallen at the hand of the assassin has gone down by the murderous blow of a man of foreign extraction.

Such facts as these have not escaped the American people and must not escape the Congress of the United States. If we fail at this critical hour to protect America and American institutions, we will fail in the discharge of our plain duty and obligation to the 105,000,000 people whom we represent. This is not a trivial or passing matter, but is one that reaches to the very foundation of our Government, and in my candid judgment threatens to disturb and disrupt our institutions built up at a cost of so much sacrifice by those who have given their lives that America might survive the test of time.

The time once was in the history of this country when America was looked upon as the home of the downtrodden people of all the nations of the earth, but we have arrived at a new and different era in our history; new conditions have arisen among the people of the world. Beyond the seas there are being taught new and strange doctrines. Socialism, bolshevism, and anarchy are playing unusual parts in the history and welfare of those nations, and are threatening the very foundation of their governments. Bolshevism and anarchy may draw their slimy trail across the map of Europe and write their destructive doctrines into the history of the nations over there, but never with my vote or influence will they make their unholy imprint upon America or American institutions. It is absolutely imperative that this Congress close the door at this time to all immigration except those whose entrance is provided for by the provisions of this bill, such as children and parents of citizens, travelers, scholars, and so forth, in order that we may have time to make sure that this country and its institutions shall not be impaired or destroyed by the foreign element.

We stand to-day, as never before in the history of the world, as the leaders in thought and democracy, and are emulated as never before by the other nations of the world, and if we are to make secure the place we have taken in history we must take time now in the mad rush for money and in the disturbed days of demobilization and reconstruction to save this country to Americans, American ideals, and American institutions, and to see that our standards and ideals are not poisoned or lowered by the incoming hordes from other countries of the world.

The district which I have the honor to represent believes in American institutions and ideals and their sentiments are shared by the millions of other American citizens who are willing to throw aside any idea of gain or commercialism for the good of America and for the welfare of American citizens, and I for one believe we should close the doors until we have had time to study the conditions of the world and the conditions of our own country and make secure our own future; we must close the doors until we have had time to seek out those foreigners who will not take Americanization and who will not become lawabiding and patriotic citizens, and drive them from our shores forever; we must close the doors until such time as the Congress of the United States may pass legislation that will safeguard our people and make sure that those who come to this country hereafter will become American citizens, loyal to the American flag, and will give up allegiance to any king or potentate or authority beyond the seas. I am an optimist, not a pessimist, but unless we deal with this question with a firm hand, it is my conviction that in the near future the loyal and patriotic citizens of the United States will be called on to assert themselves in a way not now dreamed of to save themselves from the poisonous influence of the foreign element that is now implanting itself in the very root and foundation of our country. We must suspend immigration entirely until this has been accomplished, and, in my judgment, it will take more than 2 years, probably 5 or 10, to accomplish this result.

The American youth in battles across the sea in the great world conflict, by his bravery and patriotism, added new luster to the glory of our flag; after the war had ended and during a celebration of the anniversary of armistice day, a number of those young men were shot down in cold blood for no other reason than that they wore the American uniform, and those boys fell victims of the anti-American and anti-Government movement that is being built up by a sentiment existing in this country opposed to America and American ideals. Such occurrences as those ought to bestir us to immediate action and cause us to make sure that we speedily put an end to the further coming in of such persons as will encourage those who would destroy our country. We all have, or should have, the same purpose, and that is to add to the glory, power, and influence of this Nation and to preserve uncontaminated the true American spirit of the fathers who built this Government and laid

well the foundation of its institutions, and we can most effectively accomplish this result by closing the door to dangerous influences, and give us time to teach more Americanism and less Europeanism. [Applause.]

Mr. SIEGEL. Mr. Chairman, I yield four minutes to the gentleman from Illinois [Mr. MANN].

Mr. MANN of Illinois. Mr. Chairman, if I understand this bill correctly it would apply to a case like this. There exists to-day in Ireland a very deplorable condition, as everyone will admit. What is going to be done there I do not know, but I apprehend that the British Government is likely to adopt more drastic methods than it has up to the present time. That condition might exist in any other country in the world. Under the terms of this bill, as I understand them, if an Irishman seeks to escape in the end from the drastic measures adopted by the British Government and succeeds in getting a vessel which will carry him from his own shores and lands him in America, he will be returned by us to the British Government to be tried and convicted of treason, perhaps, and perhaps to be hung.

I will not vote for any bill or law which proposes that a liberty-loving citizen anywhere in the world, attempting a revolution at home to secure what he believes is his liberty and his right, driven from his shores, lands on ours, shall be turned by our Government over to another Government to be hung. [Applause.]

The same situation may arise in Mexico. It is said that the Guatemalan Government has a man in confinement who was formerly president of that Republic.

If he should manage to escape from his confinement and find a vessel which would bring him to the United States, he would be returned by our Government to the Guatemalan Government and punished by it. I doubt whether the time has come when liberty-loving America should say that we will not permit, under any conditions, the entrance into the United States of people from abroad who are being persecuted or prosecuted, as you please, because they are attempting to obtain freedom at home.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SABATH. Mr. Chairman, does the gentleman want a few minutes more?

Mr. MANN of Illinois. Oh, I have expressed myself, I think.

Mr. SABATH. I am very glad to yield to the gentleman three or four minutes.

Mr. MANN of Illinois. I do not desire to trespass upon the time which other gentlemen want.

Mr. SABATH. I yield four minutes to the gentleman. He can make a much better speech than I can.

Mr. MANN of Illinois. Oh, I would rather hear my colleague talk. I do not understand there is any escape from the proposition which I have made. If at the time of the revolutions in South America men had fled from their country to the United States seeking liberty, they would have been returned under this law, to be punished for treason. I have always been educated to believe in the love of liberty and that this is a liberty-loving country, the light of which shines over the world. Yet it is proposed to say here to people throughout the world, "You submit to the tyranny of the Government under which you live, or, if you escape to us, we will return you to that tyranny." Tyranny exists in many countries of the world, notwithstanding the recent war and our efforts to bring universal peace. There is trouble and there will continue to be trouble in many of these countries. How far we ought to go in restricting immigration I do not undertake to say. For many years I voted against the immigration bills in the House, but finally voted for the last one, because we were told that under the terms of that bill, if enacted into law, our Government would be able after the war to keep out the horde of immigrants that might seek our shores. Whether it is because of lack of enforcement of the law that this is not done I do not undertake to say. I have no doubt that everywhere people are looking to the United States as the land of liberty and safety and home. I am not willing to say that if they seek to establish good government at home by revolution that we shall say, "Suffer; you can not enter our doors." [Applause.]

Mr. SABATH. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman and gentlemen of the committee, the gentleman from Kansas [Mr. WHITE] stated that we are in the throes of a tremendous reaction. He spoke the truth, but I do not agree with his conclusion, that the situation, grave as it may be, justifies the alarm that is manifested in this House. We are, it is true, in the throes of a tremendous reaction, but I regret to say that the reaction shows a tendency to

fall back into pure materialism and selfishness. We seem to be going back upon all the noble traditions of our country. The lessons of the war are lost and we seem to have borrowed from Europe, and even from Asia, the very worst traits of narrowness and provincialism.

Let us get together on a fair and square basis. Let us reduce the argument to a common denominator. There is no one here, so far as I am able to discern, who, standing in opposition to this measure, has ventured to suggest that he was opposed to the exclusion of the unfit and undesirable. I will go further than any advocate of this measure and say that migration unchecked and uncontrolled may prove as great an evil as an armed invasion. It seems to me that it is not playing fair to suggest that the opponents of this bill desire to open our doors for the free and unrestrained access of foreign hordes. We do not take this position. Our attitude, at least my attitude, is rather to check the stream of migration by deliberate and well-thought-out safeguards; to control its course and regulate its stream in accordance with the industrial needs of our Nation and our ability to assimilate. The aggregation of strange peoples in our large centers of population is undoubtedly a hardship to themselves and a menace to our traditions and to our institutions. As a rule, they do not think in the same terms as the population among which they are thrown, and the inevitable result is the formation of colonies where the traditions, bad as well as good, of the land of their origin are perpetuated.

As distance is said to "lend enchantment to the view," and as "absence makes the heart grow fonder," it is common knowledge that these colonies of the foreign born cherish an exaggerated fondness for the land of their birth, often to the detriment of American interests. They forget the hardships of their earlier environment, the poverty and misery, the tyranny and persecution, and at times display an utter lack of appreciation of the opportunities and advantages that they have enjoyed under the American flag. Whenever the attitude of their adopted country does not seem to harmonize with the apparent interests of their fatherland and the question, by any chance, is projected into the political arena, they steer their course not by the measure of benefit to accrue to this country but by its effect upon the land of their birth. The majority of this House, whose committee is responsible for this measure, have profited by this disposition of the foreign born in the recent election, and the wonder is that they should so soon after their phenomenal victory kick over the ladder on which they climbed to power.

I am not at all resentful at the attitude taken by the foreign born. I hold that the basic principles which governed our ancestors and whose generous spirit of toleration and humanity made this country the haven of the oppressed of the world are of deeper import than any argument predicated either upon expediency or resentment. It may be that the threat of immigration is as grave as the majority would seem to indicate. It may be that the character and condition of the hordes who are knocking at our doors for admission are as debased as represented. That, however, I seriously question. But I am thinking it will be interesting to note the reaction when the friends and the relatives of the races criticized in the majority report of Congress come to reflect upon the subject.

For instance, in Appendix A of the report, on page 9, we find an expression of views as to the character and undesirability of the proposed immigrants from the different lands and races:

#### AUSTRIA.

Vienna: Sixty per cent of the present emigrants are of the Jewish race, 20 per cent of the German race, and 20 per cent of other races. The favorite occupation of these emigrants is merchant or clerk.

#### GERMANY.

Berlin: It is estimated that 2,000,000 Germans desire to emigrate to the United States if passport restrictions are removed.

The Germans who proceed to the United States are not of the most desirable class, due to the fact that military service is at present, in most cases, an absolute bar.

#### ITALY.

Catania: Practically all the emigrants from this district are of the peasant class. For the most part they are small in stature and of a low order of intelligence.

#### NETHERLANDS.

Rotterdam: The great mass of aliens passing through Rotterdam at the present time are Russian Poles or Polish Jews of the usual ghetto type. Most of them are more or less directly and frankly getting out of Poland to avoid war conditions. They are filthy, un-American, and often dangerous in their habits.

#### POLAND.

Warsaw: Concerning the general characteristics of aliens emigrating to the United States from Poland and the occupation or trade followed by them reports indicate such to be substantially as follows:

(a) Physically deficient:

(1) Wasted by disease and lack of food supplies.

(2) Reduced to an unprecedented state of life during the period of the war, as the result of oppression and want.

(3) Present existence in squalor and filth.

(b) Mentally deficient:

(1) Illy educated, if not illiterate, and too frequently with minds so stultified as to admit of little betterment.

(2) Abnormally twisted because of (a) reaction from war strain, (b) shock of revolutionary disorders, (c) the dullness and stultification resulting from past years of oppression and abuse.

(c) Economically undesirable:

Report of April 6: Approximately 100,000 persons are desirous of immediately leaving Poland for the purpose of coming to the United States. Ninety-five per cent of these persons are of the very lowest classes of the country and are considered to be thoroughly undesirable. Many of these persons have trachoma and other quarantinable diseases and come from typhus-infected areas. They are filthy and ignorant and the majority are verminous.

Report of May 15: Typhus conditions have shown little, if any, improvement. Some organizations interested in sending certain classes of Polish citizens to the United States are objecting to quarantine restrictions and are endeavoring to avoid regulations through transshipment through other countries. Some emigrants are objecting to certain sanitary provisions, such as the removal of beards and clipping hair.

#### ROUMANIA.

Bucharest: Possibly 10 per cent of applicants are Roumanians and are from Transylvania or the old Kingdom. The remainder are Jews, mostly from Bessarabia and Bukovina; practically all, except women and children, being petty merchants or salesmen.

This is unquestionably a serious arraignment; but if it is examined closely it will be found that there is hardly a single disability mentioned that is not amply guarded against in the existing immigration law. We can exclude the criminal, the mentally defective, the unclean, and the unhealthy under the laws as they stand. Why is it necessary to enact further laws or to close the doors completely? It has been vaguely suggested during the course of this debate that racial and religious intolerance has been permitted to enter into the question and may perhaps have been the controlling factor. The emphasis laid upon the Jewish question in the above extracts lends some color to the opinion.

I believe in the regulation of immigration. That would be wholesome and salutary. We could easily regulate the stream by directing our consuls abroad to only approve the passports of such numbers of immigrants as there is a possibility of employing in useful industry. We could make it a condition precedent to their immigration. Such a course would be absolutely defensible. It would preclude the charge of intolerance and put all nations and races on the same basis. It would solve the Japanese question and meet the objections of the Pacific coast States against the importation of Japanese labor. Japan could not take any offense and that troublesome question would be settled once and for all time.

Under the proposed plan of two years' absolute exclusion we would offend all nations and races and bring upon ourselves the charge of being the modern hermit nation. Not only that, but we block our own economic progress. We deny ourselves the benefit of the refreshing and healthy flow of labor into channels where it is most needed. To-day household help is at a premium in our cities, and I have often listened to the complaint here in this House by the Members representing farming constituencies that farm help is not obtainable. Even now these Members are clamoring to have exceptions added to the measure permitting them to import Mexican and Canadian help at certain seasons of the year. Such a course is selfish and economically unsound. It invites undesirable foreigners into our land to earn money that had better be earned by our own population and then permits their return to their home lands to spend their earnings. It would be much better, in my estimation, to make the help needs of the agricultural sections of our country known in the great city sections and invite the vast army of unemployed into the fields. Such a course would help to settle the sparsely populated States and distribute our population equitably.

The last census of the United States shows that 51 per cent of our inhabitants are centered in cities and towns. We can not exist long as a nation if this movement is permitted to continue and grow. The Immigration Committee had a great problem on its hands, but they took the wrong course in trying to settle it by a scheme of absolute exclusion. Their solution is the lazy man's "open sesame." Their solution is a confession of weakness. If they had proposed a plan of intelligent regulation, they would have had the earnest support and cooperation of every man in this House.

In settling the immigration question we should ever keep in mind that the influx of a good, healthy stream of immigrants is always desirable and should be encouraged. It will always prove a great public benefit, if it is only directed into zones

where it can be employed advantageously, without creating unreasonable competition with American labor. The mixture of blood in the United States has proven to be the salvation of our Nation. We hear men boast of the purity—by which they mean the unmixed origin—of their racial blood. It is nothing to boast of. Inbreeding is always the source of racial deterioration. I commend to your attention the book written by a friend of mine, an able newspaper man, who often sits in this gallery.

I refer to "America's To-morrow," by Snell Smith. In that book he reviews the rise and fall of nations and has evolved the law that a transfusion of the blood of several stocks throughout a period of 300 years produces an entirely new people, which at the maximum of strength, caused by the admixture, conquers its rivals, expands into empire, and does its work in the world. Speaking of the American people, he says that "strengthened and developed though they may be physically, by centuries of hardship and struggle, their brawn and quickness flow solely from an apalugation of the blood of the peoples of many lands into one."

I know that this theory is double-edged in its conclusion; but while indicating caution in the character of the admixture it absolutely squelches the argument that the truest perfection in our national character may be attained without any admixture whatever. In its final analysis it justifies the conclusion that the founders of our Republic were correct in the establishment of the principle of toleration and humanity in laying the foundations of our national structure, whereby they have truly made this great country of ours the land of the oppressed and the home of the free. The measure before us is a confession of weakness. The committee fly in the face of our entire history. They have been laboring for 22 months, and now their only solution is a panicky appeal to close the doors for two years. I agree with them that it is proper to exclude the unfit and undesirable. By all means let us do it, but you can do that by expanding the present law. You can do it by regulation. It is not necessary to adopt a plan of exclusion which is so utterly repulsive to all of the noble traditions upon which this country was founded.

The CHAIRMAN. The time of the gentleman from New York has expired.

By unanimous consent leave was granted to Mr. GRIFFIN to revise and extend his remarks in the Record.

Mr. SABATH. Mr. Chairman and gentlemen of the House, I hope it is not necessary for me to state to you that I have the interest of my country at heart and that it is not my intention to do anything that would operate injuriously to the welfare of our Nation. I wish to also assure you that I am just as serious as any Member of this House in the desire to keep out every undesirable. The chairman of the Immigration Committee, I am sure, will bear me out when I say that I have at all times cooperated with the committee in preparing, aiding, and advocating legislation that would make it possible not only to eliminate the immigration of the undesirables, but also to strengthen our deportation law. The gentlemen from Minnesota, Kentucky, and Texas charge that the present immigration is undesirable and that the sections of this country to which this immigration goes are suffering from unemployment and lack of housing facilities.

Mr. Chairman, the charges that are being made against the present-day immigration are by gentlemen who come from sections who receive no immigration and who are not in position to know as much about that question as those who come from and live in the cities and in the States that absorb most of the present-day immigration. Is it not singular that up to this moment not a single gentleman coming from our great cities or our great States who, I am sure, are better acquainted with the immigration question than those from the rural districts, has said a word in behalf of this legislation; but, on the contrary, like myself, feel it is hasty, uncalled for, unnecessary, and unjustified.

Mr. FOCHT. The gentleman realizes that those men who came then to be American citizens and that those who come here now do not intend to stay here, and do not stay here, but run away with their money and go back to Europe.

Mr. SABATH. That is not the truth.

Mr. FOCHT. Give me time and I will prove it.

Mr. SABATH. I will give the gentleman all of the time he wants some day.

Mr. FOCHT. All right; give me the time and I will be glad to do it.

Mr. SABATH. Mr. Chairman, I did not yield for misstatements; I yielded for a question; and I say to the gentleman that anyone who makes that statement is mistaken, because the people coming to-day are coming for the same purpose as those who came 100 years ago. I have heard statements and in-

situations like the gentleman has made from other gentlemen, but they could never prove their assertions. Mr. Chairman, a few years before the war the gentleman and others questioned the loyalty of those people who were coming then, and I am proud to say that those very people demonstrated that they were as loyal and as patriotic as any.

They enlisted and fought side by side with the American born and in a way that won for them praise and admiration of all who were in position to see and hear of their many heroic deeds.

Mr. Chairman, the arguments in favor of this bill and the charges that are being made were made over 100 years ago. The restrictionists of those days classed the people coming to this country then as undesirable and favored their exclusion. The same arguments were made as to the tendency of the immigrants to congest in the cities, and it was maintained that the effect of immigration was to reduce wages and lower the standard of living.

The report of the Immigration Commission quotes the following from Nile's Register of 1817:

The immigrant should press into the interior. In the present state of the times we seem too thick on the maritime frontier already.

Consider that statement carefully, gentlemen, for you must remember that it was made when the immigration did not reach 5,000 a year.

Again, in the second annual report of the managers of the Society for the Prevention of Pauperism in New York City, 1819, we find the following:

As to the emigrants from foreign countries, the managers are compelled to speak of them in the language of astonishment and apprehension. Through this inlet pauperism threatens us with the most overwhelming consequences.

In the year following this report only 8,385 immigrants came to this country, and yet we find these men speaking of this immigration in language of "astonishment and apprehension."

It would seem, as years went by, that no difficulty had been experienced in the assimilation of these immigrants that had been the cause of such great apprehension, and therefore they were immediately classed as "desirables," whereas those seeking admission a few years later were still regarded as a menace. In a paper entitled "Imminent dangers to the institutions of the United States of America through foreign immigration," and so forth, published in 1835, the author compares the immigration of earlier years with that of his day, and says:

Then we were few, feeble, and scattered. Now we are numerous, strong, and concentrated. Then our accessions of immigration were real accessions of strength from the ranks of the learned and of the good, from enlightened mechanic and artisan and intelligent husbandman. Now immigration is the accession of weakness, from the ignorant victims of the priest-ridden slaves of Ireland and Germany or the out-cast tenants of the poorhouses and prisons of Europe.

Remember these are the sentiments expressed in the year 1835, when there were less than 50,000 people admitted.

At a meeting of the delegates of the Native American National Convention, held in Philadelphia on July 4, 1845, an address was delivered in which occurred the following statement:

It is an incontrovertible truth that the civil institutions of the United States of America have been seriously affected, and that they now stand in imminent peril from the rapid and enormous increase in the body of residents of foreign birth imbued with foreign feelings and of an ignorant and immoral character.

The almshouses of Europe are emptied upon our coast, and this by our own invitation, not casually or to a trivial extent, but systematically and upon a constantly increasing scale.

In 1845, the year this address was delivered, some 114,000 immigrants came to make this country their future home.

All of the quotations I have used refer to a class of immigrants which to-day even the most rabid restrictionists refer to as "desirable."

The birth of the Republic and the inception of the agitation for the exclusion of immigrants were coeval. The demand has been insistent, unreasonable, and unsubiding. Born of prejudice, this desire to shut out foreigners grew up with eyes closed to the light, blindly ignoring all knowledge that would demonstrate the folly of its reasoning.

In the earlier days its advocates stubbornly refused to read with unprejudiced eyes a single page of the country's history upon which was chronicled a patriotic deed or which recited an achievement of any character that was the contribution of the class marked for their disfavor. Impelled by motives that were completely out of harmony with the fundamental principles of the Republic, this element never gave thought nor consideration to the economic effect of exclusion or restriction of immigration, but persisted with a zeal that bordered upon the fanatical in its attempts to foist upon the country views that were narrow and ill advised. Statesmen of every decade of our national life

have been confronted with this question, but to their everlasting credit those clothed with power and exercising influence in shaping legislation have turned deaf ears to the prayers and threats of the exclusionists and continued the liberal policy adopted by their forefathers.

Mr. Chairman, some of the supporters of this bill have maintained that our country is becoming too thickly populated, that we already have within our borders nearly all the people we can accommodate, and that for this reason it is imperative that immigration be restricted. This statement, like so many others emanating from the opponents of immigration, is misleading. The fact is that in 1910, according to the Bureau of the Census, the density of population of the United States, or, in other words, the average number of people per square mile throughout the United States, was only 30.9. Contrast this average density with that of some of the individual States, such as Illinois, with a density of 100.6; Ohio, with a density of 117; Maryland, with a density of 130.3; Pennsylvania, with a density of 171; Connecticut, with a density of 281.3; and Massachusetts, with a density of 418.8. They talk of this country being overcrowded. Why, 125 years ago the density of population of Maryland was greater than that of the United States to-day.

These restrictionists talk about our country becoming too thickly settled. Let us consider some of the European countries. In Germany we find there are approximately 312 people to every square mile; in Italy, 315; and in the United Kingdom, 374. Just think, gentlemen, with a population of only 300 to the square mile this country could support over 900,000,000. Is it not the height of absurdity to claim that immigration should be restricted because we have no room for these people?

Mr. Chairman, it also has been stated by those favoring the passage of this measure that the immigrants all flock to the large cities, there to increase the present congestion. This is not true. It may be a fact that these immigrants go, first, to the cities, but their residence there is only temporary. Gentlemen, I state without fear of contradiction, that there is nothing closer to the heart of the immigrant than his desire to become possessed of a piece of land which he can call his own, and he does this at his first opportunity. Hundreds—yes, thousands—of these people are leaving the cities each year and settling on farms. The statistics will show that a large percentage of the people residing in the rural districts of the northern, western, and northwestern sections of our country are of foreign birth or foreign parentage.

I have before me figures taken from a report of the Bureau of the Census which shows that in 1910 in the States of New York, New Jersey, and Pennsylvania 31 per cent of the rural population was of foreign birth or foreign parentage; in Ohio, Indiana, Illinois, Michigan, and Wisconsin 32 per cent was of foreign birth or foreign parentage; in Minnesota, Iowa, Missouri, North Dakota, Nebraska, and Kansas 40 per cent of the people residing in the rural districts were of foreign birth or foreign parentage; in Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada we find the percentage the same—40 per cent of the rural population is foreign born or of foreign parentage; and, lastly, in the States on the Pacific coast—Washington, Oregon, and California—we find that over 42 per cent of the people who are making their homes on the farms are of foreign birth or of foreign parentage.

Now, Mr. Chairman and gentlemen of the House, I ask you if this is not proof that the immigrants do go on the farm; that they do not all remain in the larger cities?

For the further edification of the gentlemen who are of the opinion that this influx of immigrants is harmful to our country, I wish to read some additional statistics taken from a report of the Director of the Census, which show that in the States of Ohio, Indiana, Illinois, Michigan, and Wisconsin 75 per cent of the farm land is improved, whereas in Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida but 46.7 per cent is improved. In the States of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas 70.6 per cent of the farm land is improved, as contrasted with 53.9 per cent in Kentucky, Tennessee, Alabama, and Mississippi.

Mr. Chairman, from the hasty statements made by a number of gentlemen it would appear that there is no law against immigration and that all aliens can come in without restraint, regulation, or examination. Our present laws are strict enough in every respect. We now exclude idiots, imbeciles, feeble-minded persons, epileptics, insane persons, paupers, persons likely to become public charges, professional beggars, persons afflicted with tuberculosis or a loathsome or contagious disease, persons mentally or physically defective, persons who have been convicted of a crime or misdemeanor involving moral turpitude,

polygamists, anarchists, prostitutes, contract laborers, assisted aliens, and all who are admitted must have passports viséed by our consuls in the respective countries from which they come.

Mr. Chairman, it is to be regretted that so many Members of this House should be misled by false statements relative to the tremendous number of immigrants coming to the United States. The only justification for such statements is due to wild, unreliable articles from men who willfully double and in some cases quadruple the number of immigrants that are coming. I regret that even the committee, due to the haste in preparing their report, should have fallen a prey to these erroneous, yes, false and misleading, articles. These statements and articles emanate from sources whose only aim is to mislead, prejudice, and alarm the American people. I have in my hands a report from the Secretary of Labor and of the Commissioner General of Immigration, which is marked "confidential," and which is not to be released until the 16th of this month. This report shows that for the fiscal year 1919 the total immigration to the United States was 237,000, while the number of aliens who departed was 216,000, an increase only of 20,790. The same report for the fiscal year 1920, which ended June 30, 1920, shows that the total immigration amounted to 621,000 and that 428,000 departed, a total increase in the fiscal year 1920 of 193,000, and the majority of these are the wives and children of our own citizens and of those who have filed their declaration of intention of becoming American citizens.

These gentlemen are endeavoring to make the country believe that within the last few months millions of immigrants have come to our shores. I hope that the membership of this House will not rely upon the willful misstatements and articles of professional propagandists and paid lobbyists, but will investigate carefully all statements coming to them from such sources.

From the same sources come wild statements of the great unemployment which they variously estimate from two to four millions. These statements are just as unfair as those in regard to the millions of incoming immigrants. I maintain, though this is the slackest and dullest time in the year and that, due to the financial depression created by certain interests, there has been a lull in some of our industries and some lay offs of employees, but in a majority of cases it will be found that it has been done not because there is not enough work on hand but for the purpose of forcing down wages. It has been noticed in many instances within the past 10 days or two weeks that where lay offs have occurred the men have been re-engaged wherever possible at a lower scale of wages.

During the months of December, January, and February we always find some people unemployed. This is due to the fact that many industries are at a standstill in the winter months, and to the further fact that thousands of farm employees, having no work on the farms, come to the large centers to seek employment during that period. But even with the influx from the farms and with the lay offs from some of the industries, I find in every newspaper of the large cities that there are three times as many advertisements for help as there are advertisements for situations wanted. Even if people are out of employment in certain sections of our country, I am satisfied that within three months there will be a greater shortage of labor than has been experienced during the summer of 1919 and 1920.

In the current number of the American Federationist Mr. Gompers, the veteran head of the American Federation of Labor, says:

The world needs production. The employers have been saying so for months. They began with the armistice and continued until a few days ago. Now they have stopped saying so.

The reason is not that the world's needs have been satisfied. The reason is twofold: Inflation is coming out of the business structure, and in the process employers see what they believe to be an opportunity to cut wages, though there has been no inflation in wages; secondly, the more unscrupulous employers believe that by laying off workmen with an announcement of curtailment necessities, the same or other workmen can be hired within a brief time at a sufficient wage reduction to make the temporary reduction justifiable from a profit point of view.

The following extract of a communication to me from the National Federation of Construction Industries speaks for itself:

It is evident that a proportional relationship exists between our national requirements for skilled labor and unskilled labor, over which we have no control except in so far as our inventive genius may devise tools of production by which the effort of labor is made more effective. Experience has shown that the law of supply and demand applies in employment the same as in the material market. If the supply of unskilled labor in the United States begins to exceed its proportional relationship to skilled labor, immigration automatically adjusts itself because of the decreased demand for unskilled labor. Any attempt artificially to regulate the fundamental law of supply and demand in the labor market through the restriction or stoppage of immigration can result only in national disaster; for it will be seen that, if immigration were to be stopped, the necessary proportion which must exist

between skilled and unskilled labor, without which industry can not survive, could be maintained only by a curtailment of production to permit demotion of labor into unskilled capacities in sufficient numbers to restore the balance which must be maintained between skilled and unskilled labor. The direct result of such curtailment of industry would be disastrous to our national welfare for the reason that the law of supply and demand as it relates to commodities would operate to obtain a higher price level because of decreased production.

Mr. Chairman, in the interest of those who are so unduly alarmed as to the conditions and prosperity of our Nation, I have hastily prepared a statement which, if closely studied by these alarmists, will allay their fears as to the future and will compel them to wonder at the great strides our Nation has made in the last 50 years. It shows that though our population has increased threefold our wealth has increased sixfold, our exports twentyfold, and that the value of farm products has increased nearly tenfold. I regret that I have not been in position to secure the complete statistics, but I insert those which I have been able to secure:

*Statistical statement comparing conditions in 1870 and 1910 with those of the latest available year.*

	1870	1910	1919
Population.....	38,558,371	92,174,515	106,736,461
Wealth.....	\$30,068,518,000		\$187,739,071,090
Money in circulation.....	\$676,284,427	\$3,102,355,605	\$5,766,029,973
Per capita.....	\$17.51	\$34.33	\$54.33
Individual deposits in all banks.....	\$2,182,512,744	\$15,283,396,251	\$32,703,114,000
Deposits in savings banks.....	\$549,874,358	\$4,070,486,247	\$5,902,577,000
Imports, total.....	\$435,958,408	\$1,556,947,430	\$3,095,720,068
Exports, total foreign and domestic.....	\$392,771,768	\$1,866,258,904	\$7,920,425,990
Manufactures for use in manufacturing, exported.....	\$13,711,708	\$267,765,916	\$922,401,664
Manufactures ready for use, exported.....	\$56,329,137	\$499,215,329	\$2,563,350,160
Manufactures, total (except food-stuffs) exported.....	\$70,040,845	\$766,981,245	\$3,485,751,824
Farms and farm property, value.....	\$8,944,857,749	\$40,991,449,090	
Manufactures produced, value of.....	\$4,232,325,442		\$24,246,434,724
Wages paid in manufacturing.....	\$775,584,343		\$4,079,332,433
Spindles in operation.....	7,132,000	28,267,000	34,931,000
Coal mined..... tons.....	29,496,054	447,853,909	605,546,343
Petroleum produced..... gallons.....	220,951,290	8,801,404,416	14,948,964,072
Pig iron produced..... gross tons.....	1,665,179	27,303,567	39,054,644
Iron and steel manufactures, exported.....	\$13,483,163	\$179,133,186	\$968,520,154
Railways, mileage in operation.....	52,922	249,992	266,059

1912.

1914.

1918.

1917.

Mr. Chairman, for several days I have been striving to ascertain the source of the misinformation that has been used in arguments in behalf of this measure, and not until to-day have I been able to find that they are based principally upon an article written a few days before the election by Frederick Boyd Stevenson. It purports to be an interview with Commissioner Wallis, who, the writer states, has revolutionized Ellis Island. It undoubtedly is from this article that the distinguished chairman of the Committee on Immigration and Naturalization and the other members of the committee who are advocating this bill secured their inspiration and information. I do not desire to make any charges or even insinuations as to why the interview was given or printed two days before the election, but I do charge that the gentlemen in using some of the guess figures of the contemplated or expected immigration and some paragraphs bearing on the class of immigrants were unfair not only to this House and the country but also to the commissioner. I make this statement because they have only used the most prejudicial statements and figures, ignoring completely whatever may have been stated in explanation.

The writer of the article states that of the 430,000 immigrants, 173,000 have no occupation; but he also states that 182,000 were women and children. Does he expect that all the women and children should have an occupation? He also lays great stress on the point that among these 430,000 immigrants an old woman 70 years of age came to a son, who had a wife and five children, and that should the son die, the five children, who no doubt were born in this country, and the wife and mother would become dependent upon charity. He does not know whether the son had property of his own, or whether the children may be of an age to earn their own living. In response to that statement I can not help calling attention to the fact that neither the commissioner nor the writer can point out many cases of those who become charges or dependent upon charity, and he will not find a single one of the Jewish race in a public charitable institution.

The gentlemen who have favored the passage of the bill and who have quoted from this article so frequently have failed to quote the commissioner when he stated that he is not a believer in the illiteracy test, and that a man may not know one

letter from another but still make an honest and useful citizen. I wonder why they have not read that paragraph?

For the purpose of showing how unfair some of the advocates of this legislation have been by selecting a few short paragraphs out of this lengthy statement, I insert a greater portion of that article, which was originally published by the Brooklyn Eagle and which has been reproduced and reprinted and sent broadcast by the restrictionists bureau:

The greatest problem in America to-day is immigration. Under the new régime at Ellis Island, where 90 per cent of the immigrants to this country arrive, important physical, mental, and moral changes have taken place and are still taking place. Under a former régime physical, mental, and moral conditions were a disgrace, an abomination, and a menace. Filth has given place to cleanliness, brutality has given place to kindness, and degradation has given place to uplift.

The immigrant who comes to Ellis Island to-day is treated as a human being. The changes to-day are due to the splendid administration of Frederick A. Wallis, the present commissioner of immigration at Ellis Island. Great as these changes are, important as they are in influencing the lives and actions of the future Americans, composing as they do part of the solution of the overpowering problem that must be solved, there is another part of the problem that outranks them and reaches far above them. That part concerns the whole future of the United States of America. The beginning and the end of that major part of the problem is embodied in the questions:

What benefit will the United States receive by the admission of aliens to this country?

What detriment will accrue to the United States by the unrestricted admission of aliens to this country?

On the answers to these two questions hang the rise or the fall of a mighty nation.

For three hours the other day I talked with Commissioner Wallis on immigration. He explained to me the work he has done in the five months in which he has been in control. He told me of the efforts he has been making to create the impression in the newcomers to this land of the free and this home of the brave that it is a land of the free and a home of the brave in fact and deed as well as in song and story. He told me of the impressions he has sought to convey to the frightened and dazed foreigners that America welcomes them here if they come with the spirit of America in their hearts.

"But," said Mr. Wallis, as the climax to our talk, "if among 1,000 aliens seeking entrance to America we suspect that there is even one who is plotting against America I would rather refuse admittance to the 999 worthy than to take the chance of admitting the unworthy one. So long as I am in charge here my slogan shall be:

"When in doubt, deport!"

There is room in the United States for all who are sincere. There is room here for all who can be helpful to the country; for all who want to grow up with and become part of the United States.

There is not room here for anyone who promises to be a charge upon the United States or a burden to the people. There is not room here for anyone who is not in full accord with the Constitution of the United States and who does not possess the spirit which created the Constitution.

Now, to what extent are the people who are coming to this country to-day imbued with the qualifications that will make them desirable citizens and to what extent are they imbued with the qualifications that will make them undesirable citizens?

First of all, what sort of people do the United States need at the present time?

We need workmen.

We need mechanics—carpenters, masons, plumbers, tinsmiths, engineers—skilled workmen of all kinds.

We need day laborers—men to build railroads, roads, dig ditches.

We need miners to get the coal out of the mines.

We need men to run the street railroads—conductors and motormen.

We need farmers to plow the millions of unutilized lands, to sow the harvests, and to gather the harvests now rotting on the fields while millions are suffering for the want of food.

We need servant girls—millions of them—women and girls who are ready to go into good homes and get the benefits of the families in those homes, and do honest work and not expect to be the "lady of the house."

We need cooks and waiters.

We need laundry women and laundry men.

We need drivers for milk wagons and grocery wagons and delivery wagons.

We need help in our factories and shops and in our big industrial plants.

We need all sorts of help.

We do not need men and women whose first thought upon coming to this country is how much they can squeeze out of the country in wages and how little they can give in help.

We do not need men and women whose first thought upon learning conditions here is to mount soapboxes and public school rostrums and try to convince those who have been contented with those conditions that the conditions are all wrong.

These are a few of the men and the women whom we want and whom we don't want.

What kind are we getting?

It is gratifying, Mr. Chairman, however, to find once in a great while a member of the judiciary of our country taking an interest in the immigration affairs of the Nation; and in this connection I wish to insert an editorial appearing in the Chicago Daily News of December 4 dealing with an address of Judge Evan A. Evans, of the United States Circuit Court of Appeals, delivered at Indianapolis, which shows that that able jurist has studied the question from an honest, unbiased standpoint, and that he has been able to discern the far-reaching effect upon our country should immigration be stopped. His suggestions of improvements in dealing with the immigrants and the means we should employ to assist them to more quickly become good and useful citizens of our great Nation in a great measure meet my

views and should receive the attention and study of the membership of this House. I regret that time will not permit me to read the editorial, but with the permission of the House, I shall insert it in the RECORD:

JUDGE EVANS ON IMMIGRATION.

In the comparatively short and informal address which Judge Evan A. Evans, of the United States Circuit Court of Appeals, delivered at Indianapolis and which was published in the Daily News of yesterday were contained many valuable and thoroughly practical suggestions to Members of Congress and students generally of the twin questions discussed, namely, immigration and naturalization. In fact, a whole legislative program is outlined in Judge Evans's observations, which comprise six definite proposals.

Judge Evans believes in keeping the doors open to deserving foreigners, but he advocates the following notable improvements in our methods of dealing with immigrants:

More careful investigation of the qualifications of applicants for admission; provision for a five-year probation period for all admitted immigrants, they during this period to be required to learn the English language, under penalty of deportation for failure to do so; legislation expressly stipulating that naturalization is a privilege contingent upon good behavior, and that the commission of any one of certain designated offenses be made legal ground for the revocation of the privilege; a substantial increase in the naturalization fee, but not for the benefit of the Treasury.

There should be a national fund, Judge Evans asserts, for the sole purpose of assisting the newcomer to America from the day of his admission until he is settled and able to support himself in comfort. He should be protected from oppression and at the same time prevented from aggravating such evils as unemployment and urban congestion through ignorance or inertia. He should be directed to places that need workers and have undeveloped resources.

America is for Americans, Judge Evans well says, in the broad enlightened sense that only those who wish to become citizens and useful, honest members of the great community should be welcomed and permitted to stay. Those who do not value American institutions and are not appreciative of American advantages have no possible claim on the hospitality of the Nation. But there is still ample room for thrifty, upright, industrious, well-intentioned foreigners who desire to contribute to the welfare of the country while taking legitimate advantage of its exceptional opportunities.

As to the deplorable conditions under which the immigrants are being brought here, permit me to call your attention to the fact that for years I have advocated and insisted on legislation that would eliminate the hardships to which the steerage passengers are subjected, insisting that they should be accorded more humane treatment not only while aboard ship but also on arrival at our ports. The delays to which these immigrants have been subjected at Ellis Island also are to be regretted and conditions there should be immediately improved. If the Congress had appropriated a sufficient sum of money to enlarge the medical force as well as the force of inspectors these conditions would not exist. I hope that at least a portion of the tremendous sum which is collected from these immigrants by the imposition of the head tax will be utilized to improve the conditions at Ellis Island, and that provision will be made for a force that will be sufficient to handle this temporary increased immigration. I hope that these gentlemen who have described the conditions will aid me in securing the appropriation and also the enforcement of the provisions of our laws for the protection of steerage passengers.

In conclusion, I will suggest that some of these gentlemen from the Southern States who so strongly favor shutting the doors of immigration for 10, 20, or a longer period of years should read the evidence given by the cotton growers and sugar-beet growers and others when they appeared before the Committee on Immigration and Naturalization at the last session of Congress, appealing for the suspension of the immigration laws to enable them to secure labor to pick the thousands of acres of cotton and to harvest the sugar-beet fields, which they claimed they could not do unless a permit was granted to import illiterate Mexican laborers. I also suggest that they read the article which appeared in the Washington Star on December 9, which I also take the privilege of inserting in the RECORD.

FIGHT IMMIGRATION BAN—SOUTHERN BUSINESS INTERESTS TO OPPOSE ACTION BY CONGRESS.

NEW ORLEANS, December 8.

The general immigration committee, which was recently formed by representatives of various interests in Louisiana, Arkansas, and Mississippi, met here to plan a vigorous fight on proposed congressional legislation restricting or barring immigration into the United States for the next few years.

Resolutions were adopted urging the board of directors of the New Orleans Association of Commerce to take prompt action in opposing the Johnson bill, which proposes to stop all immigration for two years. The committee also asked the board to take action in connection with any other bill which may at any time be introduced in Congress that will in any way limit or restrict the amount of farm labor that might be available for this country.

I also will read from the booklet just issued by the Federal Trade Information Service the following:

The most valuable asset any country has is its people; indeed, without population no country has any value. The changes which take place with the advance of years in the distribution, character, and occupation of a country's inhabitants properly may be considered the most important changes, of any nature whatsoever, which enter into national experience.

The growing supremacy of the United States among the nations of the world has resulted from the ever-changing distribution of its population. Had the American people remained through the decades within a few restricted areas near the seaboard, the vast natural resources of the land would not have been brought forward to serve, not only our own people but the whole world.

Mr. Chairman, were it not for the fact that I do not desire to abuse the privilege granted me I could insert hundreds upon hundreds of other letters, resolutions, and articles that have come to me within the last few days, protesting against the enactment of this pending legislation, but I have not heretofore and shall not now abuse the privilege. I also realize that it matters not what additional arguments, facts, and proofs I might submit it will have no possible effect upon the prejudiced membership of this House. As stated before, I feel that the Senate will not be carried away by this hysteria and pass the bill in its present form, but if that body should fall a prey to the propaganda now being carried on for this bill, I feel that President Wilson, who history will accredit as the greatest Executive, statesman, and humanitarian, will, without doubt, refuse to approve such legislation.

Mr. PARRISH. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. SCHALL. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of Washington. Mr. Chairman, I believe I have five minutes remaining.

The CHAIRMAN. Yes.

Mr. JOHNSON of Washington. I will yield that five minutes to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Chairman, there are some who oppose the pending measure because they do not believe that the existing conditions warrant the temporary restriction of immigration at the present time; it is, however, very evident that the country is becoming alarmed by both the growing avalanche of immigrants and the increasing unemployment at home.

There are others who, discounting the abnormal world conditions of to-day, believe that immigration should at all times be free and unrestricted. This, I believe, is but enunciating a doctrine to which present-day America can not afford to subscribe.

I believe that a sound national protective policy demands that immigration to this country should at all times be regulated and controlled, based on the principle that changing conditions require appropriate legislative adjustments. The world to-day is facing unparalleled conditions. The tremendous upheaval and reconstruction abroad and the economic and social readjustment at home demand not only amendments and changes in the immigration law, but necessitate efficient new legislation.

I subscribe to what the gentleman from Illinois [Mr. MANN] has said about America being a harbor of refuge, but I also believe that the first law of nations, as of individuals, is the law of self-protection. [Applause.] One of the essential rights inherent in sovereignty and independence of nations is that of self-preservation. To temporarily restrict immigration for a reasonable length of time as a precautionary measure is the exercise of the national power of self-preservation. The arguments and reasoning which controlled the formulation of an immigration policy 10 years ago can not logically be applied to the present situation.

All of the available reports show that there is a constantly growing and unprecedented influx of immigrants to the American shores from all parts of the Old World. Notwithstanding the difficulties in transportation, notwithstanding the abnormal differences in international exchange of money, notwithstanding the hardships and difficulties of land travel in Europe, and all of the various obstacles in obtaining permission to leave their native land, immigration from foreign lands during the past months has been increasing at an alarming rate. The tidal wave of immigration has been constantly assuming greater and greater proportions until it now promises to exceed all records. If the experience of the recent past is any criterion, the situation is one of grave concern and calls for prompt and effective measures and safeguards.

For the past few months, even under restrictions that survive war time, immigrants have been pouring into the port of New York in such large numbers that officials have been overwhelmed and all facilities overtaxed. We can readily foresee what the ensuing year may bring, with the inevitable removal of war-time restrictions from certain countries and when ocean travel will be stripped of the prevailing difficulties and inconveniences. Immigration will only be limited by the extent of transportation facilities.

I am not unmindful of the fact that there has been and will be considerable emigration of foreigners from America. This, however, will by no means offset the enormous number of immigrants. The available data also proves that those who left America during the past year for a visit to the lands of their birth are returning in large numbers. The distressful conditions in their native countries, consequent upon the war, the lack of opportunity of obtaining gainful employment prompts them to return to America as speedily as they can obtain necessary return passage.

The pending bill can not be called really a suspension measure. It should be properly called a restrictive measure. The provisions permitting the admission to this country during the life of the law of certain classes of blood relatives is rational and humane. It is designed to eliminate separation of families and prevent heartaches. It will enable the dependents of naturalized American citizens and of declarants for American citizenship who are residing abroad to join their families.

Some advocate the unrestricted admission of immigrants because of their desire to obtain a surplus of unskilled workmen. In normal times and in periods of industrial, agricultural, and commercial expansion we need unskilled labor on the farm and in the various industries. In the past it was the labor of the immigrant that supplied this need. He was engaged in occupations that produced the raw material upon which skilled labor depended for employment. But the present and immediate future will not witness a shortage of unskilled laborers. The present surplus in the labor market from all present indications will remain for some time. The gentleman from Illinois [Mr. MASON] who voiced his opposition to the pending measure, has himself recognized this condition and has introduced a few days ago a resolution seeking a solution of the problem of the unemployed. A large number of unemployed always tends to reduce the scale of wages and under existing conditions such a reduction would not only reduce the standard of living conditions of the American laborer, but would produce want and suffering. The interest of the Nation and of all its classes is paramount to that of any small class which is only actuated by self-interest. Extensive immigration, like that now in progress and coming at a time of business depression and in a period of readjustment which produces not only uncertainty but temporary stagnation in business and industry resulting in unemployment, will increase suffering among those already here and those who come later. The first duty of America is to relieve the present acute conditions and by all available means provide employment for those who are here. American labor is entitled to first consideration. When the surplus of unemployed will be absorbed, we can open our gates to admit those who would make desirable citizens.

The proposed measure will not only accord protection to American labor and to all classes of our population, but will provide protection to the immigrant himself. The welfare of those whom we admit to this country can not be ignored. When we permit the immigrant to land on our shores, we assume a certain moral obligation for his welfare. Permission to enter here implies a tacit assurance that he will find opportunity of employment and of betterment of his own and his family's condition. A desire to escape from burdensome conditions and hardships is not the sole reason for the increased immigration in recent months. The compelling factor is the expectation of highly remunerative employment. Under existing conditions he will be unable to find employment and with the million or more now without work and the thousands coming daily to our shores, the problem of the unemployed will become constantly more acute.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. KLECZKA. I will.

Mr. MADDEN. I would like to ask, if the gentleman will permit, why it is that a provision is contained in this bill to permit people to come in here from Mexico as many times as they want on the payment of the head tax, if it is necessary to keep the people out because of unemployment?

Mr. KLECZKA. That section of the bill only continues in force the existing law, which permits otherwise admissible aliens to be temporarily admitted from certain contiguous territory, for a period not exceeding six months under rules prescribed by the Immigration Commissioner with the approval of the Secretary of Labor. My personal view is that Federal legislation of the character of the pending measure which affects the entire country should not afford special advantages to certain sections thereof.

Unemployment always creates dissatisfaction and unrest and any cause that increases the number of unemployed accentuates and increases the danger of discord and strife and trouble. With the energies of the people directed to the solution of do-

mestic problems and the promotion of domestic contentment and tranquility, we can not encourage or permit the existing difficulties to be increased. The admitted aliens, if they fail to find employment, will become sadly disillusioned in their hopes and expectations, and will not only become a burden to the community but will become an easy prey of revolutionary agitators and fomentors of strife.

Personally, I believe that since the pending measure is one of emergency the life of the bill should not extend beyond the probable existence of the conditions which call for its enactment. Hence I believe that the period of restriction should be limited to one year. I do not believe in a policy of permanent exclusion of desirable and necessary immigration, nor in the adoption of unreasonable and drastic and harsh restrictive measures. To-day, however, there is no visible limitation to the excess immigration which is threatening us; there is almost a world tendency to emigrate to America. To admit all of the peoples who are fleeing from the economic chaos of their own countries is simply to transfer the chaos to our own land.

If this measure is adopted, it will enable Congress to study conditions and formulate new and necessary legislation providing means and measures not only for the assimilation of immigration but likewise for its proper distribution, to the end that the standards of living and employment of American workers will not be impaired, and to the end that the desirable immigrant himself will have that protection and opportunity of self-development which will enable him to share all the privileges, advantages, and responsibilities of American citizenship. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc., That as used in this act—*

The term "United States" means the United States and any waters, territory, or other place subject to the jurisdiction thereof except the Isthmian Canal Zone; but if any alien, or any alien seaman, leaves the Canal Zone or any insular possession of the United States and attempts to enter any other place under the jurisdiction of the United States nothing contained in this act shall be construed as permitting him to enter under any other conditions than those applicable to all aliens, or to all alien seamen, respectively;

The term "immigration act" means the act of February 5, 1917, entitled "An act to regulate the immigration of aliens to, and the residence of aliens in, the United States"; and the term "immigration laws" includes such act and all laws, conventions, and treaties of the United States relating to the immigration, exclusion, or expulsion of aliens; and

The word "alien" includes any person not a native-born or naturalized citizen of the United States, but this definition shall not be held to include Indians of the United States not taxed nor citizens of the islands under the jurisdiction of the United States.

Mr. MANN of Illinois. Mr. Chairman, I move to strike out the last word. I would like to make an inquiry. What is the special reason why at this time we should forbid any immigration into the Philippine Islands, and what is the special reason for forbidding any European immigration into Hawaii, inasmuch as if immigrants went there they might help us overcome the preponderance of Japanese now there?

Mr. JOHNSON of Washington. This amendment is made to apply to the Philippine Islands. The reason is the original immigration act is made to apply in the same manner, unless superseded by an act passed by the Philippine Legislature.

Mr. MANN of Illinois. It is perfectly patent that the Philippine Legislature could not act instantly, and if they wanted to have immigration continued there it would be a long time before they could permit it under the terms of this bill. Now, is there any necessity at present? Have they asked for legislation? Is there a condition over there which makes it advisable to prevent anyone going into the Philippines? In other words, we are trying to give them self-government, and we pass a law, and under that they pass a law, I assume. Now we propose to butt in and pass another law, which they can not change until it is too late to be of any effect.

Mr. JOHNSON of Washington. The present act applies to the Philippines and is enforced there by the commissioner of the United States, as I understand it.

Mr. MANN of Illinois. Your present act authorizes the Philippine Legislature to pass an immigration law itself.

Mr. JOHNSON of Washington. Yes.

Mr. MANN of Illinois. Now, they could pass an exclusion act, I assume, if they wanted to, approved by the President. But they have not done so. They are satisfied with the existing law, so far as I know, anyhow. Of course, I do not know what the circumstances are. I doubt the desirability of Congress passing any more laws respecting the Philippines than are desirable.

Mr. VAILE. The gentleman will notice that the bill under present consideration provides in section 4 that the provisions of this act are in addition but not in substitution of the acts

of the immigration law. The immigration law, I think, as the chairman has stated, provides for the action of the Philippine Island by the Philippine Legislature.

Mr. MANN of Illinois. The existing immigration law, and this bill, for that matter, gives to the Philippine Legislature authority to pass immigration laws approved by the President.

Mr. VAILE. They will do so then.

Mr. MANN of Illinois. But we put this law into effect, and before they can pass a law and have it approved the time has expired. We put this law into effect against them. They have had a chance to do it themselves, but they have not done it.

Mr. JOHNSON of Washington. Has the gentleman an amendment to offer exempting the Philippine Islands?

Mr. MANN of Illinois. I have not prepared any amendment.

Mr. JOHNSON of Washington. Personally, I am inclined to agree with the gentleman, and I have an amendment that I can offer.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MANN of Illinois. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN of Illinois. Now, how about Hawaii?

Mr. JOHNSON of Washington. Hawaii is in a different class. It is a Territory of the United States.

Mr. MANN of Illinois. I understand.

Mr. JOHNSON of Washington. Hawaii is suffering now from a shortage of citizen population. She is in danger of being a military possession, being controlled by a military government.

Mr. MANN of Illinois. I think so. I think Hawaii is in danger because the great mass of the people who work there are Japanese. They have a very large Japanese population, and the children of the Japanese population born there are citizens of the United States. It is highly desirable to get the Portuguese or any other European nationality to send their people to Hawaii and let them remain there, and have families there, rear children there, and become the class who do the work there, instead of compelling the Hawaiians to depend upon the Japanese. It would be easy, of course, to forbid those people coming to the United States from Hawaii. I think you have already done that. I make this suggestion, because the one thing that impressed me when I was in Hawaii with a number of other gentlemen over here was the desirability of bringing a class of people into Hawaii who would work, besides the Japanese, and not make the workmen there exclusively Japanese.

Mr. JOHNSON of Washington. You might provide some way where the political refugees from various broken places in Europe might go to Hawaii.

Mr. MANN of Illinois. That might be a good thing.

Mr. JOHNSON of Washington. Mr. Chairman, I have an amendment which I wish to offer.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. JOHNSON of Washington: Page 1, line 6, after the word "Zone," insert the words "And the Philippine Islands."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. GARD. Mr. Chairman, I move to strike out the last two words for the purpose of asking a question.

The CHAIRMAN. The gentleman from Ohio moves to strike out the last two words.

Mr. GARD. Mr. Chairman, I note that the bill, on page 1, provides for something in relation to alien seamen, and I believe it carries no definition of what an "alien seaman" is, as does the general immigration law, which we passed in 1917, and I am wondering whether the chairman of the committee deems it advisable to insert in the bill a definition of "alien seamen" as it would appear in that law?

Mr. JOHNSON of Washington. This bill is in addition to the present law, and that definition stands as you find it in the act of February 5.

Mr. GARD. I make the inquiry because the words "United States" are defined, and "citizen of the United States" is redefined in this bill, and the word "alien" is redefined in this bill. I ask whether it was necessary to define the words "alien seamen"?

Mr. JOHNSON of Washington. I do not think it is necessary.

Mr. WALSH. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Ohio [Mr. GARD], in order to

ask the chairman of the committee if he took into consideration the conditions in Porto Rico, whether this should apply there, or whether they have sufficient labor there to take care of agricultural needs?

Mr. JOHNSON of Washington. I think so, and a very low rate of wages. We are not going into all of those islands, any more than we can help, to regulate their affairs.

Mr. WALSH. You did take into consideration their condition there?

Mr. JOHNSON of Washington. You mean personally or by examination and inquiry?

Mr. WALSH. Yes, sir.

Mr. JOHNSON of Washington. Yes.

Mr. WALSH. Well, would the gentleman object to an amendment including Porto Rico in the amendment that he has offered?

Mr. JOHNSON of Washington. I shall not object. I shall oppose such an amendment. The gentleman might offer it if he desires.

Mr. WALSH. Then will the gentleman tell the grounds of his opposition? I do not desire to offer an amendment which the chairman would oppose.

Mr. JOHNSON of Washington. From the best information we have available we understand that there is little or no immigration to Porto Rico.

Mr. WALSH. The molasses crop can be adequately handled with what they have, I take it?

Mr. JOHNSON of Washington. Yes.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

Sec. 2. Except as otherwise provided in this act, from 60 days after the passage of this act, and until the expiration of two years next after its passage, the immigration of aliens to the United States is prohibited, and during such time it shall not be lawful for any alien to come from any foreign port or place, or, having so come, to remain within the United States.

Mr. SABATH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Page 2, line 18, strike out the word "sixty" and insert "one hundred and twenty."

Mr. SABATH. Mr. Chairman, of course, personally, I do not expect to vote for the bill, but if it must pass—and I hope it will not—I hope that we will at least give these people who already have made all arrangements, who have sold all they possess for the purpose to pay for their passage and transportation into the United States, a chance, an opportunity to come. This bill may go into effect shortly. Under it we are giving them only 60 days. It will be absolutely impossible for these people to secure passage within 60 days. Meanwhile they have disposed of their households, they have disposed of their homes or the little property which they possess, and if this law goes into effect they will be made beggars.

I know that it is not the intention of the majority in the House, it matters not how the majority of the committee feel, to be unfair and to be unreasonably harsh, and it is for that reason that I am offering this amendment, hoping that this additional time may be given to these unfortunate people who have placed themselves in the position they are in, especially in view of the fact that they had a perfect right to rely on the expectation that there would be no such harsh, unjust, and un-American legislation enacted as is proposed in this bill. It is for that reason that I am offering this amendment, hoping that the majority of the Members of this House will see the justice of my contention.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. SABATH. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 24, noes 52.

So the amendment was rejected.

Mr. SIEGEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SIEGEL: Page 2, line 19, after the word "of" strike out "two years," and insert in lieu thereof "six months."

Mr. SIEGEL. Mr. Chairman, since this debate commenced we have been told by practically all of the members of the committee that this is simply a temporary measure, designed to temporarily keep out certain elements of immigration which are deemed undesirable. We have also been informed that the committee proposes to prepare a comprehensive measure which

will cover the entire subject. None of us knows at this time what conditions will prevail in this country within the next three or four months, but I am a sufficient optimist to believe that we are going to have better business and economic conditions than prevail to-day.

Under this measure as it is at the present time no brother or sister of any person in the United States, whether a citizen or declarant, can possibly come into the United States, and I thought that by simply making it six months, until we get a comprehensive bill, we will be serving not only the country but act fairly and squarely to those who have come here and are helping to make the Republic stronger in every way.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. SIEGEL. Certainly.

Mr. SNYDER. I would like to ask the gentleman, since the committee has been 22 months in preparing an emergency bill, if he thinks that within six months they can prepare a comprehensive general bill?

Mr. SIEGEL. Let me answer my colleague that if he would realize that it is simply 13 months since the so-called Siegel resolution was passed here—last November a year ago—that we went to the western coast for the purpose of satisfying certain gentlemen that we should personally observe the Japanese conditions, and that our work at Ellis Island resulted in 249 anarchists being sent away on the *Buford*, I believe the committee has performed valuable services. I would at the same time call his attention to the fact that it has not been the fault of the committee, but that of the department in administering the present law that the abuses in the present instance have come to light and because Congress has not made a sufficient appropriation.

Let me add, Mr. Chairman, that if the administrative officials had acted expeditiously under the law as it is, it would have been unnecessary to bring in that resolution. At this very moment the Secretary of Labor has not acted on the Martens case, which has been pending about a year. If there is no evidence against him sufficient to find that he comes under the terms of the act, then, in justice to him, he should have been formally discharged. If otherwise, then the people are the sufferers.

I should like to say also to my colleagues that I could change and relieve the congestion at Ellis Island very quickly if Congress would abolish the office of Commissioner of Immigration and in lieu thereof place the Assistant Secretary of Labor at Ellis Island, so that he could act on each and every appeal promptly. If an immigrant is not fit mentally, morally, or physically, or if he is a crook, criminal, or an anarchist, see that he is sent back by the next ship. But you do not do that. Under the present law you bring the appeals from Ellis Island to Washington, and here they take from a week to four or five months before the appeals are acted upon. If you had your Assistant Secretary of Labor at Ellis Island to pass on the question, you would not only get rid of all the correspondence and delay, but you would relieve the congestion. For many reasons that is the policy which should be adopted.

Now, I propose a six months' limitation again for this reason: We are very unfair in this bill. Do you realize that thousands and thousands of brothers and sisters will be kept out whose applications for admission have been viséed under our law, which does not expire until March 4, 1921? They have disposed of everything they have got. A soldier boy came to me yesterday. He lost an arm in the service of this country. He said, "Under this bill you keep out my brother and sister. I was good enough to fight for you and to give up my right hand for you, but you keep out my brother and sister." That is what he said to me yesterday. I urge you to make this six months, so we can bring in a proper bill and enact proper legislation, after careful consideration as to what is best for America. Under the unanimous consent to extend my remarks, I feel that the people of the country can best understand my views upon this important question by giving them the minority views, which are as follows:

The undersigned members of the Committee on Immigration and Naturalization dissent from the report of the majority of the committee on H. R. 14461. The bill was introduced on Monday, December 6, 1920. Although there was a desire for a hearing in opposition to this measure, and an opportunity was asked for the presentation of facts bearing thereon, a hearing was refused. The report of the majority of the committee favoring the enactment of this bill only became accessible to us on Tuesday, December 7, 1920. In the short time that has been allotted for the presentation of the minority report we are therefore constrained to present our objections with extreme brevity and are of necessity limited in the presentation of facts.

The purpose of the bill is to prohibit practically all immigration for a period of two years. This is so drastic a change in the historic policy of the United States as to be startling. Immigration practically began a century ago. During that time the doors of opportunity have been kept open. Men and women of various nationalities have been welcomed here and they have become incorporated in our population. Without them the United States would not have reached the develop-

ment of its resources or that degree of prosperity that has been achieved. They have added valuable elements to American citizenship. It is well known that a large proportion of Americans are either immigrants or the descendants of immigrants of the first and second generations.

They will be found among the leaders in the commercial, industrial, and professional activities of the United States. The ranks of labor, skilled and unskilled, have been recruited by them. They have added intellectual, moral, and spiritual values as well. They have done their share in the national defense. During the Civil War they fought for the preservation of the Union, and during the great conflict that has just been waged they constituted a large proportion of those who served in our Army and Navy.

From August, 1914, until the present year immigration was practically suspended because of the war and of the lack of transportation. Although the exact data are not at this moment accessible to us, it will be found that during the same period emigration from the United States reached a very high figure, so that covering a period of six years the number of emigrants from the United States about equaled the number of immigrants. In the meantime the demand for man power in practically all of the American industries has greatly increased and can not be met except through the medium of immigration, particularly that of unskilled labor.

There is, therefore, no occasion for the extraordinary haste manifested in the attempt now made to enact this prohibitory measure without giving to it the consideration and deliberation that its importance demands. Nothing can be more unfortunate than legislation inspired by hysteria.

The majority report shows that it was not until July, 1920, that there developed a perceptible flow of immigration. Much is made of the fact that in that month the number of immigrants arriving at Ellis Island was 55,900; in August, 57,874; in September, 70,052; and in October, 74,665. As against these arrivals the departures in September were 35,689 and in October 25,597. These are not abnormal figures. The total immigration from January 1 to December 1, 1920, was 840,509. The total number of departures from the United States during the same period was 866,915. The net immigration, therefore, during the period of 11 months was 473,594. Prior to 1914 there were a number of years in which the net immigration exceeded 1,000,000, and there was no difficulty in absorbing this influx.

The majority have, in their report, as we believe, unfairly selected three days for the purpose of showing that on them a large number of immigrants arrived at Ellis Island. That is not a proper test. But even if it were indicative of the average number of arrivals, which it certainly is not, the total number per annum would not exceed the number of immigrants arriving here annually for a series of years prior to 1914.

Apparently the committee was impressed by the fact that, when it visited Ellis Island on a recent occasion, it was found that the number of inspectors stationed there was insufficient to attend to the immigrants with sufficient expedition and that as a result there was a congestion of aliens. The remedy for this state of affairs, that has frequently been called to the attention of Congress, is not to prohibit immigration. It is rather to improve the administration of our existing immigration laws. Long before the war it was well known that the number of inspectors, examining physicians, clerks, and interpreters was inadequate, that the compensation that was paid to those who had been provided was insufficient to procure the high degree of efficiency called for by the duties imposed by the law. The bill as reported makes no attempt to relieve these conditions. No consideration is given even to the subject of creating a sufficient staff of inspectors and physicians to serve along the Canadian and Mexican borders. There are 76 points of entry along our northern boundary. There are only 23 examining physicians there at the present time to perform the duties imposed upon them by the statute, although it is estimated that 12,000,000 are passing to and from Canada annually.

As bearing on the subject of administration, one of the subscribers has for a long time urged the abolition of the office of commissioner of immigration at Ellis Island and the assignment thereof of an Assistant Secretary of Labor, in order that appeals may be promptly passed upon. The delays that are now occasioned because of the loss of time in transmitting appeals to Washington are intolerable. They are unfair to the Government as well as to the immigrants. By adopting the plan proposed, much of the existing congestion could be eliminated and substantial economies introduced. It is obvious that under the existing methods a considerable clerical force is required, both at Ellis Island and in Washington, to attend to the correspondence occasioned by the appeals taken that might otherwise be dispensed with.

There has been and is no reason for the inadequate policy of administration at Ellis Island that has been pursued in the past and for necessitating the transaction of business there in a manner which is necessarily inefficient because of the lack of inspectors and physicians. Under the present law it is contemplated that every immigrant shall be examined by two physicians, but in a large number of cases this can not be done because of the lack of an adequate staff. Congress has failed to make the necessary appropriations, overlooking the fact that the United States has collected in head taxes in the past nine years from the immigrants that have arrived here approximately \$11,000,000 in excess of all appropriations heretofore made by Congress for the enforcement of the immigration laws, including all administration expenses. The theory on which the head taxes have been levied has been that they should be devoted to an effective supervision of the arriving immigrant and to his protection against exploitation.

The reason for the increased head tax was to effectuate these purposes.

Yet the immigrants have been made the source of revenue without regard to the crying need for improved methods of administration.

The majority report calls attention to the fact that many of the new immigrants are not such as might go to the farms and that a large proportion of them were bound for cities. The exclusion of these immigrants would not tend to solve the problem of urban and rural distribution. That affects our present population as much as it would any increase in our population due to immigration. The subject is one that requires careful and scientific study. It can not be disposed of by the rule of thumb. The committee has not attempted to enter upon such a study. On the same theory all of our problems might be met after a fashion by a policy of prohibition. It is intimated in the majority report that in some of the cities named there is unemployment and a lack of housing facilities. There is no evidence to warrant the statement that a state of unemployment exists except sporadically or voluntarily. On the contrary there is everything to indicate that there is sufficient opportunity for employment for those who desire it throughout the country. So far as housing facilities are

concerned, there is every indication that the artificial restraints against building that have to a large measure been the cause for such dearth of housing as has existed are rapidly disappearing, and to some extent will be diminished through immigration.

The majority report refers to estimates that have been made that from 2,000,000 to 8,000,000 Europeans are seeking to migrate to the United States. There is nothing in the report or otherwise to warrant these estimates. It is well known that men are given to exaggeration. Congress should not act on this kind of evidence. A man seated at his desk in Washington or New York, ignorant of European conditions, can just as easily estimate the number of immigrants at 10,000,000 in a single year as at one-tenth that number. The utter absurdity of the estimates is, however, apparent on its face, and the majority report very properly refers to it as "idle."

The majority report is especially unfortunate in its references to the number of Jewish immigrants arriving in this country. Classification according to the religion or race of immigrants is without justification. It is opposed to that Americanism that prevailed in the past. The data contained in Appendix A attached to the report are at the most ex parte statements very likely based upon information furnished by prejudiced and unfriendly local authorities.

The inaccuracy of the generalizations becomes at once apparent to those familiar with conditions. Speaking of the immigrants from Poland, it is said "that immigrants of similar class are to be found already in the United States who, taken as a class and not individually, have proven unassimilable." The splendid record and conduct of the 3,000,000 of immigrants of that nationality who are now in this country amply refute that charge.

While it is true that, since last July, a considerable number of immigrants have come to the United States from eastern Europe, that is due to the fact that, before the outbreak of the European war, members of the families of these immigrants, in many instances the head of the household or the supporting member of the family, had come to this country for the purpose of establishing a home, with the expectation of having the members of the family who had been left abroad rejoin them as soon as it was practicable. The intervention of the war made this impossible until communication was once more restored. As soon as that occurred there was a laudable effort on the part of the members of the family who had arrived in this country to bring about a reunion of the broken family circles. Hitherto this practice has been encouraged. It has been regarded as in the public interest. The majority report, however, seeks to decry this natural demonstration of love and affection, of duty and humanity.

It is insinuated that a Polish labor commissioner has stated that 225,000 Jews "have been furnished this year with funds for passage to the United States." If the inference is sought to be deduced that any moneys have been thus supplied in violation of the immigration laws, it is utterly unfounded. We are reliably informed that no moneys have been sent abroad except by members of the family residing in the United States to those of the same family residing abroad, in order to enable the latter to be reunited with those who had legitimately come to the United States in advance. To forbid such action would not only be brutal, but would not be tolerated by any right-thinking citizen. If there has been any violation of the law, it can be easily ascertained and prosecuted. We are confident, however, that the most careful investigation would disclose that whatever has been done for the relief of the distressed in eastern Europe has been most laudable. It would be a sorry day in American history if our country, that has heretofore been an asylum for the persecuted, were to slam its doors in the faces of those who have been and continue to be the victims of oppression, persecution, and discrimination in the lands in which they live. When the literacy test was adopted, an exception was made as to its application in the cases of those who were subjected to discriminatory laws and regulations, as well as to overt acts of persecution because of their race and religion.

A reading of the majority report would lead one to believe that this truly American policy is to be departed from and that the very fact that a people has been subjected to suffering of an unexampled character should be made the basis of adverse legislation. Thus the majority has called attention to the fact that 80 per cent of the passengers coming on the steamship *Rotterdam* and 90 per cent of those coming on the *New Rochel* are Jews. We are credibly informed that is due to the fact that those steamers sailed from ports which were accessible to the Jews coming from the various parts of Poland; just as the immigrants arriving on steamers leaving from Italian ports bring Italians, and those from Scandinavian ports those of Scandinavian descent. Representative Siegel had occasion to speak to many of the immigrants arriving on the *Rotterdam* in the presence of three other members of the committee. He found that practically all of them were women and children who were coming to this country to rejoin the heads of their families and other near relatives in the United States. The children were especially intelligent and would unquestionably within a very brief period be thoroughly assimilated.

The allusions to the Jews contained in the majority report are offensive, although we can not believe that they are intentionally so. We would not refer to these allusions were it not for the fact that they have a tendency to create in this country an atmosphere of prejudice against all immigrants and because of the further fact that there has recently been conducted a secret and malicious propaganda designed to arouse prejudice against the Jews in various parts of the United States.

We point to the fact that although the Jewish population of the United States does not exceed 3,000,000, not less than 225,000 Jews served in the Army and Navy of the United States during the late war, thus supplying a quota much greater than their numbers would have required. They served honorably and faithfully. Jews of New York composed the "Lost Battalion," which achieved immortality in the Forest of Argonne.

At the time war was declared many of the advocates of the proposed legislation feared that on account of the numerous races and nationalities in America we would not present a united front to the common enemy. The war showed that although there might have been newcomers from Italy, Poland, Ireland, Czechoslovakia, and many other European countries they had become fighting Americans. They entered each battle determined to win. They fought side by side with the native born and demonstrated their loyalty to their adopted country.

We are opposed to this bill because it is based on unsound premises, because it is unnecessary, and because it will inevitably prove injurious to the public welfare. The creation of such a precedent as it affords will tend to legislation productive of isolation and to the retardation of our national growth.

So far as the national prosperity of the country is concerned, this bill is bound to injure the mass of our workers who are skilled. It is

admitted by every fair-thinking American that what we need in this country is the so-called common labor. Again, the average American does not compete with what we call the unskilled laborer. Most of the work requiring the exertion exclusively of brawn and muscle has been furnished chiefly by the immigrant. Under this bill the unskilled laborer will not be allowed to enter. The skilled laborer can come in. This is a fact which should interest every employer and employee, as we know that the skilled laborer will not desert his position in order to do unskilled work. Where the unskilled worker is to come from will become a serious problem should the bill pass.

The bill is likewise objectionable in that section 4, which is intended to permit certain persons to be brought into the United States, provides that only a citizen of the United States 21 years of age or over who may secure such permission under regulations prescribed by the Secretary of Labor, and then he is permitted only to bring his parent, grandparent, an unmarried son under 21 years of age, an unmarried or a widowed daughter, a grandson under 16 years of age whose father is dead or unmarried, or a widowed granddaughter whose father is dead. It does not even allow him to bring his wife.

The bill is further objectionable in that it makes the Secretary of Labor the sole judge as to whether a person shall be admitted. He must be satisfied that the relative is likely to prove a desirable resident of the United States, and in that event he may issue a permit to the applicant under such regulations as he may prescribe which shall authorize the immigration officers at the port of entry to examine such relative upon arrival at such port. In other words, instead of creating a legislative standard of admission, the entire subject of admission becomes one of special favor. If there is anything that should be avoided in American legislation it is that of making the right to enter the United States a matter of discretion on the part of an administrative officer instead of a matter to be regulated by the Congress of the United States.

ISAAC SIEGEL.  
ADOLPH J. SEABATH.

Mr. MADDEN. Mr. Chairman, I am in favor of this amendment. I believe it should be adopted. In the first place, we ought not to put a perpetual embargo on immigration. In the next place, if we are to put an embargo on at all, it should be put on pending the development of such legislation as is thought to be necessary to meet the case. In the next place, if you can not prepare legislation to meet the case in six months, you can not prepare it at all.

Again, if you make this for two years you may regret it. If you make it for a year you may regret it. If you make it for six months, and you find it necessary to continue it, you can reenact the legislation. My own judgment is that the conditions do not justify a period of exclusion for longer than six months, and I believe that before six months have elapsed you will find men in the executive branches of the Government who will prove beyond any question that you do not need any further exclusion legislation at all. The legislation now on the books is sufficiently rigid, if properly enforced, to meet every case with which the country is confronted. I believe we ought to be just to ourselves. We realize that the laws have not been enforced, that many people have been permitted to enter America who should have been excluded, but that was not the fault of the law. That was the fault of those who failed to execute the law properly. Now we are going to have a change of government, and the time is fixed when the change will take place, and I undertake to say that the man who is to be President after the 4th of March will appoint men to office who will execute the law as it is written. [Applause.] I believe that if the law is executed as written you will not need this legislation. But pending that, and to give a sufficient opportunity for the study of the question by the incoming administration, I am willing to vote for this exclusion act for the period of six months. I would not be willing to go beyond that.

Mr. FESS. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. FESS. That would leave only four months, since there are 60 days before it will take effect, and that would give only three months after the new administration comes in.

Mr. MADDEN. That would be plenty of time to give them all the opportunity to put themselves in a position to execute the law, and I honestly believe, as I have said, that if the law now on the statute books is properly executed it will prove to the people of America that we have every law on the books that we need.

Mr. FESS. Will the gentleman yield further?

Mr. MADDEN. Yes.

Mr. FESS. If the gentleman will make that one year instead of six months I am not so sure but what I will vote for it.

Mr. BUTLER. I will vote for it.

Mr. MADDEN. I think one year is too long a time.

Mr. RAKER. Mr. Chairman and gentlemen of the committee, I want to call your attention to the fact that on January 29, 1919, practically two years ago, a bill similar to this in principle was unanimously reported. Only two members of the committee filed minority views, and they said it should be two years instead of four which the bill provided. The Committee on Immigration, with a new chairman, and the majority having control of that committee, after going over the facts, have investigated the matter and have determined that it was a mistake that the House did not pass that bill when it was

presented. They have found that immigration should be suspended. It is growing more acute all the time, and anyone who is desirous of making an investigation not only at Ellis Island but Boston, Philadelphia, and the West where aliens enter can not help coming to the conclusion that with all the readjustment conditions in this country and abroad it is in the interest of the community, to say nothing about the interests of our own country, that we should suspend immigration until we can get on our feet.

The most remarkable thing I have heard in this House for 10 years, since I have been here, has just been delivered by the gentleman from Illinois, that on the 4th of March there will be a "change of Government." My God, gentlemen, is it possible that we have come to that state of affairs. I want to call your attention to this fact—you talk about the administration of the law now on the statute books.

You all know, the members of the committee all know, and you ought to tell it to the House, that the gentleman who has had the most to do with the administration of the immigrant law is a man who has been in the service of your party for the last 15 years, and that 90 per cent of all the men in the service are civil-service men, and 80 per cent belong to your party. It is an absolute fact and all you have to do is to go and look at the record. Why discuss and cavil over the question of the enforcement of the law when it has been brought to your attention by the Commissioner of Immigration that in every port where the immigrants enter there are not sufficient men to guard and protect the country. The Commissioner of Immigration and Naturalization said that the men can come over the line at will. He had sent men back as often as six times, and there is no law on the statute books whereby it makes it a crime for a man to enter the country from Canada or Mexico. We can not get a bill to that effect.

Why complain when your committee has refused repeatedly to make sufficient appropriations and when you took off the guards on the Mexican border where the Japanese and Chinese can come right through anywhere on a stretch of 100 miles? On the Canadian border you have taken off inspectors, and every man in the service who has testified before this committee says that there are not enough men in the service to guard the borders and keep these men from entering. Now be honest, be frank, be fair and criticize yourselves. Do not place the burden on these men who are doing their best irrespective of the party to which they belong. Do not come in here and criticize when you deliberately refuse to give them enough men to enforce the law.

Mr. WALSH. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. WALSH. Is that the only reason the gentleman gives for the nonenforcement of the law, because of lack of force?

Mr. RAKER. Yes; I think I can state that absolutely.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GARD. Mr. Chairman, I desire to offer an amendment to the amendment proposed by the gentleman from New York. That is, to strike out the words "six months" in the amendment of the gentleman from New York and insert in place thereof "one year."

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 19, after the word "of," strike out "six months" and insert in lieu thereof "one year."

Mr. GARD. Mr. Chairman, I am led to offer this amendment, because I do not believe it to be the purpose of the committee or the purpose of the House to adopt at this time a definite policy of exclusion. The chairman of the committee has said that this is a temporary matter, a matter of expediency. Other members of the committee have said that it was not alone a temporary necessity and one of expediency, but they were in favor of a longer time of extension. So that I fear that under the guise of what is called a temporary extension we may be writing a bit of permanent immigration law. So if it be as the chairman of the committee has said a temporary expediency, if it be but a recognition of the hysteria at home and the hysteria abroad, then why not place it at such a time as will enable this excellent committee on immigration to formulate a law. The policy of the United States has always been a policy of the open door to every person, no matter how humble he is, to come to this country and who was willing to accommodate himself to our ways and customs, and to submit to our form of government and become an American citizen. It has been the refuge of the oppressed of all nations, and I do not think it timely now that we in this hurried fashion should write what may be a permanent policy of our Government.

So, following the suggestion of the gentleman from New York, following the original argument of the chairman of the committee, I say that recognizing the hysteria abroad and recognizing the fact that hundreds of thousands of men and women are under such conditions over there that they embrace any opportunity to come to this country, I say this can be reconciled in one year, and it will enable the committee to write a law, and that is what the people of the country want. They do not want to have to stand on a policy of exclusion, but the people of America want a reasonable and sane immigration law, a law which will protect the United States, protect the citizens of the United States, and will admit only such as are willing to make good citizens of the United States. In a year this can be done because I am confident that with what investigation the committee has now had an additional investigation of one year, there will be afforded abundant opportunity to submit to the House of Representatives or the Congress of the United States a definite and proper policy of immigration.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a question?

Mr. GARD. If I have the time.

Mr. BANKHEAD. Has the gentleman taken into consideration the fact that if his amendment should be adopted it would provide, then, for exclusion for only a period of 10 months?

Mr. GARD. I understand that.

Mr. BLANTON. Mr. Chairman, I offer the following substitute, which I send to the desk and ask to have read.

The Clerk read as follows:

Substitute offered by Mr. BLANTON: Page 2, line 19, after the word "of," strike out the words "two years" and insert in lieu thereof the words "26 months."

Mr. BLANTON. Mr. Chairman, if we were to adopt the amendment offered by the gentleman from New York [Mr. SIEGEL], known as the six months' amendment, the actual period during which this law would be in force and effect would be only four months. If we were to adopt the amendment offered by the gentleman from Ohio [Mr. GARD], known as the one-year amendment, the actual period during which immigration to this country would not be allowed would be only 10 months, because the law is exempted from operation for 60 days after its passage. The law does not go into effect until two months after its passage. The committee told us that it was their purpose to make this law apply for four years, but because of the opposition, I believe, of two or more of the committee, who insisted upon reducing the time to two years, the committee finally adopted the views of the minority and made the proposed law apply for what is commonly believed two years.

Mr. SIEGEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In a moment. The committee led us to believe that they were giving us a two-year act; that they were to exclude immigration for two years, when, as a matter of fact, according to the reading of the bill, even if the committee bill be adopted, immigration will not be excluded for two years but for only a year and 10 months. I think that the smallest period of time needed by this Government to readjust matters, to rehabilitate affairs, is two years.

Mr. VAILE. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a moment. The gentleman can get recognition in opposition to my amendment.

Mr. VAILE. I do not want recognition, but I do want to ask the gentleman a question.

Mr. BLANTON. In just a moment, and then I will yield. The gentleman from New York says that his New York laborers will not work in the ditches; that you can not get them to work in the trenches; that you must have foreign labor to do that. The time is coming, if it is not already here, when some American laborers are going to be glad to get jobs working in the ditches, and some of us here may be glad to get jobs of that kind if we do not stop the present modus operandi of running the Government business. We have got to readjust, we have got to protect this country, and we have got to protect the honest laborers of this country, many of whom now are out of jobs. What are we going to do with the millions of people who say they are out of jobs now, if we let these hungry immigrants come in from abroad and take the very bread and meat out of the mouths of their wives and little children? I yield to the gentleman from Colorado.

Mr. VAILE. I want the gentleman to yield, to see if I can not bring the committee back into the light of his smile. If he will be good enough to read the report on page 7, he will find the following:

Section 2 is the two years' suspension, with an allowance of 60 days to take care of those on the seas or who have made a start for the United States.

Mr. BLANTON. That is what I say.

Mr. LANGLEY. Is not my friend from Texas making a pretty good protectionist speech?

Mr. BLANTON. Right along that line, if the gentleman from Kentucky will read the figures which I put in the RECORD yesterday, he will see that to a certain extent I am with him on that ground. [Applause.] The point I am trying to make now is that we do need this committee bill; that we do need this 1 year and 10 months. If you adopt my amendment, you exclude the 60-day exemption from the period of the operation of the law, and by making it 26 months we actually will get a full 2-year period of operation, when there will be no immigration from abroad.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MANN of Illinois. Mr. Chairman, I offer to amend the substitute offered by the gentleman from Texas by striking out the word "twenty-six" and inserting the word "fourteen."

The CHAIRMAN. The gentleman from Illinois offers an amendment to the substitute offered by the gentleman from Texas, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. MANN of Illinois to the substitute offered by Mr. BLANTON: Strike out the word "twenty-six" and insert in lieu thereof the word "fourteen."

Mr. JOHNSON of Washington. Mr. Chairman, I am quite willing to accept that amendment, and on behalf of the members of the committee sitting at the table at this time I accept the amendment offered by the gentleman from Illinois [Mr. MANN].

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois to the substitute offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. MONTAGUE) there were—ayes 87, noes 25.

So the amendment to the substitute was agreed to.

The CHAIRMAN. The question now is on the amendment of the gentleman from Ohio [Mr. GARD].

Mr. RAKER. Would we not have to vote first to adopt the substitute?

The CHAIRMAN. If the substitute should be adopted there would then be no opportunity of voting upon the amendment of the gentleman from Ohio. Without objection, the Clerk will again report the amendment of the gentleman from Ohio.

The Clerk read as follows:

Amendment by Mr. GARD to the amendment offered by Mr. SIEGEL: Strike out "six months" and insert in lieu thereof "one year."

Mr. GARD. Mr. Chairman, since my amendment is practically incorporated in the amendment to the substitute of the gentleman from Texas, offered by the gentleman from Illinois, which has been adopted, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The question now recurs upon the amendment in the nature of a substitute of the gentleman from Texas as amended by the amendment of the gentleman from Illinois.

Mr. MANN of Illinois. The question is upon the substitute as amended.

Mr. SIEGEL. Mr. Chairman, I think the vote is on the amendment offered by me.

Mr. MANN of Illinois. The question is on the substitute as amended.

The CHAIRMAN. The question is on the substitute as amended.

The question was taken, and the substitute as amended was agreed to.

The CHAIRMAN. The question now is on the amendment as amended by the substitute.

The question was taken, and the amendment as amended by the amended substitute was agreed to.

Mr. RAKER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amendment by Mr. RAKER: Page 2, line 21, after the word "to," strike out the word "come" and insert in lieu thereof the words "enter the United States." And in line 22 strike out the word "come" and substitute the word "entered."

Mr. JOHNSON of Washington. The committee accepts these amendments.

Mr. CLARK of Missouri. Mr. Chairman, the chairman of the committee can not accept an amendment.

The CHAIRMAN. The Chair was going to put the amendments. The question is on agreeing to the amendment offered by the gentleman from California.

Mr. GARD. Mr. Chairman, I rise to discuss the amendment. May we have the amendment reported again?

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection.

The amendment was again reported.

Mr. GARD. Does the chairman of the committee think the incorporation of the word "enter" in the place it does carries out the original legislative intent of the prohibition of the coming of the alien? In other words, it seems to me there are three elements to be embodied. One is the coming of the alien, the other is the entrance, and the other is the remaining. Now, in the original text it prohibits the coming of the alien and the remaining of the alien. And it seems to me the text was deficient in respect to the prohibition against entrance; but as it is now, the prohibition is removed against coming and instead entrance is substituted which would leave it defective, following the original text, of prohibiting the coming of the alien. In other words, does the gentleman intend to make threefold this prohibition against the coming, entrance, and remaining of the alien? If he does, I suggest most respectfully the word "come" should be allowed to remain and the word "enter" should be placed before the word "to" in line 22.

Mr. JOHNSON of Washington. It makes very little difference what word we use we can not stop a man starting to come to us, but we can prohibit them against entering the United States. That comes down to the principle the Japanese have put to the people of this Government. They do not recognize that there is any surreptitious coming to us and—

Mr. GARD. That which I desire to call to the attention of the gentleman is that by the retention of the word "come" there may be some effect upon the other side—that is, they can not start from a foreign shore to the United States.

Mr. JOHNSON of Washington. Yes; but we can not legislate for the other side.

Mr. GARD. Certainly we can not legislate but we can give expression to the term. It seems to me that it can best be supplemented by the word "come" in addition to the words "enter and remain." However, I may be wrong. I accept the judgment of the chairman of the committee.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from California.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 3. (a) Section 2 shall not apply to otherwise admissible aliens lawfully resident in the United States, nor to otherwise admissible aliens of the following status or occupations, when complying with the requirements of this section and with all other provisions of the immigration laws:

(1) Government officials, their families, attendants, servants, and employees;

(2) Travelers or temporary sojourners for pleasure, business, or curiosity who may enter the United States during the time of suspension of immigration for a period not exceeding six months each, which period may be extended in individual cases by the Secretary of State;

(3) Bona fide students who may enter the United States solely for the purpose of study at educational institutions particularly designated by them; and upon graduation, completion, or discontinuance of studies they shall not be entitled to remain in the United States.

(b) An alien belonging to one of the classes or persons enumerated in subdivision (a) shall be permitted to enter the United States only upon presentation of a valid passport or other official document in the nature of a passport (hereinafter referred to as a passport) satisfactorily establishing his identity, nationality, and to which of the classes so enumerated he belongs, together with a signed and certified photograph of the bearer attached. A wife, or a female child under 21 years of age, or a male child under 16 years of age, may be included in the passport of a husband or parent, but a photograph of each must be attached to the passport. Each male child 16 years of age or over must carry a separate passport.

(c) Each such passport must be viséed by an American consulate, or a diplomatic mission if specially authorized, in the country from which the holder starts on his trip to the United States, and if such country is not the country to which he owes allegiance the passport must also be viséed by a diplomatic or consular officer therein of his own country. In all cases the passport must also be viséed by an American consulate, or the diplomatic mission if specially authorized, in the country from which the alien embarks for the United States, or if he comes by land, the country by which he enters the United States.

(d) Each alien coming within the provisions of this section, except a duly accredited Government official, must furnish to the American diplomatic or consular officer who visées the passport in the foreign country from which he starts on his trip to the United States, and to the American authorities at the port of entry or elsewhere in the United States, a written declaration setting forth: (1) The date and place of the bearer's birth; (2) the nationality and race of his father and mother; (3) the place of the bearer's last foreign residence and the other places, if any, where he has resided within the past five years; (4) if he has ever been in this country, the dates and objects of his visits and the places and addresses where he resided or sojourned; (5) the date set for his departure for the United States, the port of embarkation, and the name of the ship on which he is to sail, if he goes by water; (6) names and addresses of persons acquainted with the applicant in the country from which he starts and in the United States, if any; (7) the expected duration and object of his proposed visit to this country, the documentary or other proofs of such objects submitted, and the place or places in the United States where he expects to sojourn or reside; (8) that the bearer knows and understands

the provisions of the immigration laws, excluding certain classes of aliens from the United States, and is certain that he does not fall within any of such classes; (9) that the bearer understands that if, on arrival at a port of the United States, he is found to be a member of a class excluded by the immigration laws, he will be deported if practicable, or, if for any reason deportation should be found to be impracticable, will be held in detention in an immigration station or other place of confinement, and that he is, with full understanding thereof, assuming all risks involved in a possible return trip in consequence of being rejected under such law.

(e) A wife or minor child who does not expect to reside with the husband or father in the United States must carry a separate declaration.

(f) Each declaration must be affirmed or sworn to before a consular officer, or a diplomatic officer of the United States if specially authorized, and signed in triplicate, and a photograph of the declarant must be attached to each copy with an impression of the official seal. The declaration must be made at least two weeks before the date of intended departure, except in cases of extraordinary emergency. One copy of the declaration must be filed in the embassy, legation, or consulate by which the passport is first viséed, one copy forwarded immediately to the Commissioner of Immigration or inspector in charge at the port of entry by which the declarant expects to enter the United States, and one copy fastened to the passport of the declarant in such a way that it may be removed upon his departure from the United States. The copy last mentioned must be presented with the passport to the official at the port of entry into this country who examines passports, and to the immigration official who inspects the holder, and to such other officials in the United States as may be authorized to inspect such documents.

Mr. SNELL. Mr. Chairman, I would like to ask the chairman in regard to paragraph 2 of page 3. It seems to me that that paragraph opens the bill wide and allows every person to come into these United States except the honest man who wants to come in here and go to work. If something could be done to keep out and leave at home the people who are coming to this country for pure curiosity and agitation I should think it would be better than to keep out men who come here for honest, legitimate purposes, and I would like to have the chairman of the committee explain what it means in the first two lines of section 2, what the word "curiosity" means and what it covers?

Mr. JOHNSON of Washington. The present law had a long list of exemptions to the provisions of the immigration law—

Mr. SNELL. I know; but this is a prohibition act.

Mr. JOHNSON of Washington. This is a suspension act, but it permits those who were entitled to travel between countries and had the right to come and go to continue to do so, and provides a continuation of the passport law and makes the passport regulations apply to those who come and go between countries. The treaties carry such intent, and this just follows the usual language of treaties. Now, it is not possible to make a suspension law that overlooks that fact, and the suspension or prohibition acts that have been introduced in the last four years have had that defect. After making the suspension they immediately come around and made exceptions, by name, of doctors, lawyers, nurses, teachers, civil engineers, but did not say any other kind of engineer.

Mr. SNELL. Is it not a fact, under the exemption from this section, the very people would come into this country who would give us more trouble and be apt to be against our laws and our institutions than any other class of people?

Mr. JOHNSON of Washington. If they have passports they have to be viséed by the consul, and the only place the State Department can exercise the visé business is in regard to this section in the immigration law which applied to the anarchist, the dynamiter, the revolutionist, the man opposed to all forms of government, and so on, and this clause of the immigration law is absolutely written into the instructions of consuls in regard to viséing passports. The State Department thinks it can not say to a man who is evidently a paralytic that they refuse the visé. They warn him.

He comes just the same; and when he is at Ellis Island, and held there among the temporarily detained, his relatives get busy and ask his Congressman, among others, to intercede in his behalf and take the matter down to the Secretary of Labor, who sits there and whose word is final, and who, if there is pressure enough, must almost invariably give way.

Mr. SNELL. Would it be contrary to various treaties if the words "or curiosity" were stricken out of this bill?

Mr. JOHNSON of Washington. I do not care what words are used. The words "business or pleasure" might be sufficient—tourists or men of business.

Mr. SNELL. The word "curiosity" would cover any class on the face of the earth.

Mr. VAILE. The gentleman must remember that they must have passports.

Mr. SNELL. They do now. Mr. Chairman, I move, on page 3, line 7, that the words "or curiosity" be stricken out.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SNELL: Page 3, line 7, after the word "business" strike out the words "or curiosity."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. JOHNSON of Washington. Mr. Chairman, that being adopted, we want to offer an amendment to strike out the comma after the word "pleasure" at the end of line 6 and insert the word "or," so that it will read "pleasure or business."

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 7, line 6, after the word "pleasure" strike out the comma and insert the word "or."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KLECZKA. Mr. Chairman, I offer an amendment which is agreed to by the entire committee.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KLECZKA: Page 3, line 15, strike out the period and insert a semicolon. After line 15, insert a new subdivision as follows:

"(4) Ministers of any religious denomination."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chair announced that the yeas seemed to have it.

Mr. KLECZKA. Division, Mr. Chairman.

The committee divided; and there were—yeas 51, yeas 15.

So the amendment was agreed to.

Mr. LUCE. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LUCE: Page 2, line 25, after the word "aliens" insert, "who have been or who at the time this act takes effect are."

Mr. LUCE. This amendment is aimed at the situation contemplated by section 7 of the bill, under which aliens coming from near-by territory will be admitted for only six months.

In my district there are about 50,000 persons who were born, or who had a parent born, in Canada. About 30,000 of these come from Nova Scotia, New Brunswick, or Prince Edwards Island, and are among our most valuable citizens.

Mr. JOHNSON of Washington. If they are citizens, they are not in trouble in any possible way in this or any other bill.

Mr. LUCE. Part of them are citizens, to be sure; but whether citizens or not, they are substantial and useful neighbors, they have occasion frequently to go back to the places of their birth. They may work with us for a few months, and then illness or slackness of labor takes them home, to return when strong again or when the activities of industry warrant. They are going back and forth all the time between New England and these adjacent Provinces. About two-fifths of these people from beyond the line are French Canadians, who for the most part work in our factories and are among our most useful toilers, thrifty, industrious, law-abiding. It will be, I think, unfortunate to interpose any barrier in the way of this constant going and coming which is so beneficial to the whole community. It seems, however, after consultation with the committee, that perhaps it will be impossible to escape the six months' requirement in section 7. But I am told by an expert in these matters, in whose judgment I think the committee places great confidence, that possibly the situation will be largely met by this amendment which will secure that any person who at any time has been lawfully resident or who at the time of the passage of the act is lawfully resident of the United States, may go to and fro between the countries without hindrance. Possibly this amendment may be acceptable to the committee.

Mr. JOHNSON of Washington. Is the amendment offered to section 3?

Mr. LUCE. To section 3.

Mr. GARD. Will the gentleman from Massachusetts yield for a question?

Mr. LUCE. Yes.

Mr. GARD. As I got the gentleman's proposed amendment it is to insert after the word "lawfully," on line 25, page 2, the words:

Who have been or may be at the time this act goes into effect residents of the United States.

Mr. LUCE. Before the word "lawfully," instead of after it.

Mr. GARD. Does not the gentleman think that the first words he uses are words of very great extent, because if this amendment is adopted he would say that a man who was lawfully resident of the United States 20 years ago and has gone back to some other country and stayed there 20 years, under this amendment could come in again.

Mr. LUCE. That is perfectly true, and I can see no damage to the welfare of the country that will occur by such a one who would return.

Mr. GARD. If there is to be any test of the immigrant it certainly should be applied to one who, while he was lawfully in the United States, returned and went back to his mother country for 20 years, and then comes to the United States again. If he is to come in again after having been there and wants the benefits of our institutions, after leaving them and having been away for 20 years, he should at least qualify, I think.

Mr. LUCE. I think the gentleman will find a requirement of qualifications already in the section, which says, "to otherwise admissible aliens." Every qualification imposed by the law will be still in effect.

Mr. DEWALT. Mr. Chairman, will the gentleman yield for a moment?

Mr. LUCE. Certainly.

Mr. DEWALT. Would your amendment obviate this difficulty: A is resident in the United States of America. A acquires citizenship, remains here for a year or more. A then goes to Germany and acquires citizenship there. Would he then be, by the provisions of your amendment, admitted to the United States?

Mr. LUCE. That depends upon the interpretation of the word "admissible," with which I am not acquainted.

Mr. DEWALT. But I put it as a legal proposition. My judgment is that he would be admitted to the United States. And if that is so, the gentleman's amendment ought not to be adopted.

Mr. BEE. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Certainly.

Mr. BEE. I am not familiar with the decree in the Goldman case. Would it be possible under this provision for Emma Goldman and Alexander Berkman to return to the United States?

Mr. LUCE. I do not think they would be admissible under the existing law.

Mr. SABATH. Mr. Chairman, answering for the gentleman, I wish to say that even if the amendment should be adopted Emma Goldman, or anyone else from Europe would be offensive, because this applies only to Canada, Cuba, and Mexico.

Mr. JOHNSON of Washington. No. The gentleman from Massachusetts, in referring to this section, anticipates the previous one.

Mr. SABATH. What I desire to ask is, Does the gentleman expect to offer his amendment later on, as he has expressed the idea that he wishes to do in section 7?

Mr. LUCE. It is my intention to offer that amendment if this does not prevail. The gentleman to whom I referred as an expert in these matters said this was the best way to meet the doubt. He said that the words "lawfully resident" are uncertain, and that they ought to be clarified, and this is the way to clarify them. If the gentleman from Colorado [Mr. VAILE], whom I now see on his feet, will explain what those words mean I shall be glad.

Mr. VAILE. I have one suggestion as to what they mean, and that is that there are two clauses in section 2 to which it does not apply. One clause, the latter, is to "otherwise admissible aliens." The clause to which the gentleman's amendment applies, "other admissible aliens," covers those now lawfully resident in the United States, and he suggests that we add to that "those who have been or are now lawful residents of the United States." Would not that apply to Emma Goldman and Alexander Berkman, who once were residents of the United States?

Mr. LUCE. The gentleman's insertion of the word "now" discloses the difficulty.

Mr. VAILE. If the gentleman will repeat his language again I shall be glad. I did not catch it as it was read by the Clerk. I understood it was "whoever had been resident in the United States."

Mr. LUCE. Yes. I am told that this word "resident" is held to be met by six months' residence, a purely arbitrary interpretation. What I am trying to clarify is "lawfully resident," an uncertain phrase, by some legal definition.

Mr. VAILE. I think that, of course, would be a question of intention. A man might be away for a short time, as, for instance, on a few days' absence in Canada, with no intention to

take up a permanent residence there. He would still be a resident of the United States.

Mr. LUCE. Here is an illustration: In the Waltham watch factory, in my city, there are a large number of persons employed who live in the Canadian Provinces. Suppose work is slowing down, the force reduced. Those people are going home to the Provinces. What test shall be applied when they desire to come back when work revives? Are they or are they not lawful residents?

Mr. VAILE. Did they give up their residence in the United States, or did they have a residence in the United States? What is their intention?

Mr. LUCE. That is purely a matter of conjecture. My contention is that those people ought to be allowed without any interference to return whenever the conditions warrant their employment in this factory.

Mr. VAILE. I should think they should take up a residence in one place or other, and if they are permanent residents of Canada they would come under the provisions of the bill as prepared by the committee.

Mr. LUCE. These are mostly young women.

Mr. VAILE. I know that this country appeals to young women.

Mr. DEWALT. Mr. Chairman, I desire to have recognition from the Chair.

The CHAIRMAN. A few moments ago an amendment was pending, and an amendment to that amendment, a substitute, and an amendment to the substitute. The Chair started to put those amendments in their usual order, putting the amendment to the amendment first, then the amendment to the substitute, then the substitute, and finally the amendment to the amendment, whereupon a storm of protest arose, joined in by such veteran parliamentarians as the ex-Speaker of the House, the gentleman from Missouri [Mr. CLARK], the gentleman from Illinois [Mr. MARK], and the gentleman from Massachusetts [Mr. WALSH]. The parliamentary clerk at that time had had no opportunity to look up the precedents in the matter. Under such pressure the Chair yielded, and put the question upon the amendment to the substitute before putting the amendment to the amendment. In doing this the Chair erred. I wish to make this correction now, so that it will not hereafter be considered as a precedent.

The gentleman from Pennsylvania [Mr. DEWALT] rises in opposition to the amendment.

Mr. DEWALT. Mr. Chairman, if I correctly understand the amendment proposed by the gentleman from Massachusetts, then, in substance, it is this, that anyone who has been lawfully a resident of the United States, and may have become a citizen of the United States, if he afterwards leaves this country, and perhaps may have acquired citizenship in another country, he would have the privilege, by the gentleman's amendment, to come back into this country, and not be subject to the restrictions of this bill. Am I correct in stating that as the gentleman's proposition? I think that would be the effect of the gentleman's amendment.

Now, let us take the situation as I tried to propound it to the gentleman from Massachusetts a few moments since. I am to-day a citizen of the United States, but I came from a foreign country, we will say. For some reason, best known to myself, either a business reason or hostility to the present Government, I leave the United States and go to Germany, admittedly a hostile Government to us. I there again acquire citizenship by remaining in Germany the specified length of time, and then for some reason I determine to come back to the United States. By the provisions of the gentleman's amendment I would be entitled to come back. Now, I say that is all wrong. [Applause.]

Now, in the next place, while I grant that the peculiar conditions affecting labor in the gentleman's district appeal to me, it ought to be met in a different way; just what way that is I do not know.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes, sir.

Mr. JOHNSON of Washington. Inasmuch as the committee thought it best to agree to accept an amendment which was offered here to reduce this temporary suspension of 14 months by 2 months, making it a year, 2 months less than was contemplated, any condition that might arise in any quarter bordering on Canada would exist for only one year. A resident domiciled here and going back to Canada needs only one extension.

Mr. DEWALT. I understand that, and therefore the more reason for objection to the amendment. Now, I yield to the gentleman from Arkansas [Mr. WINGO].

Mr. WINGO. The gentleman bases his illustration on one who has citizenship. He might go further, because lawful residence does not require citizenship.

Mr. DEWALT. I grant you that, but I was taking an extreme case, in order to show the great fault of the amendment.

Mr. WINGO. Let me give the gentleman another more extreme illustration than that. Suppose there had been a citizen of Austria in the United States when war was declared, and that he went back to Austria and fought against the United States. Yet he was a lawful resident of the United States.

Mr. DEWALT. Then he could come back.

Mr. WINGO. Then he could come back under the gentleman's amendment?

Mr. PELL. Would the Austrian whom the gentleman cites be otherwise admissible?

Mr. WINGO. As soon as the treaty of peace was proclaimed he would be.

Mr. DEWALT. When the treaty of peace was ratified he would be eligible for reentrance if the gentleman's amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

Mr. RAKER. I move to strike out the last two words. So that there may be no misunderstanding, the chairman of the committee did not intend to state what he did a moment ago. The committee did not agree upon the 14 months' proposition.

Mr. JOHNSON of Washington. I undertook to say that the members sitting on this side had accepted it.

Mr. RAKER. Of course, that is a different proposition. I want to call the attention of the committee to provision 3 of section 3 on page 3 of the bill. It is a vitally important section, and has caused a great deal of trouble, but the committee believe they have obviated the difficulty which now exists. Under the present immigration law the exemptions apply simply to "students." Under that law many hundreds—and I use the word "hundreds" advisedly—of aliens have come to this country, have stayed sometimes a day, sometimes a week, and sometimes longer at the universities and schools, and then have gone out as common laborers, using that provision as a subterfuge to get into this country. The present subdivision 3 requires "bona fide students" and the applicant must designate the particular institution which he desires to attend. The further subdivision that is intended to cure that situation is section 12 on page 10 of the bill, whereby the Commissioner General of Immigration is to issue all the rules and regulations to carry out the provisions of this act, which will, of course, apply to this subdivision; and the committee understand and feel satisfied that the Secretary of Labor and Commissioner of Immigration, either the present one or if there should be another one appointed later, will issue rules and regulations under which the student will have to advise the Commissioner General of Immigration, and through him the Department of Labor, when he completes one of the three provisions provided in this subdivision, the first of which is graduation.

This contemplated student who has been admitted as a bona fide student will have to designate by writing to the Secretary of Labor when he graduates. Then we have a complete record of him, and after he graduates he will then be entitled to return home, and if he does not will be deported. Second, when he completes his studies, whether he graduates or not. The third provision, which eliminates the present imperfection in the law, is when he "discontinues" his studies. This does not mean a temporary discontinuance, because the school closes for the holidays or for vacation or because the term ends for the summer and he is going back in the fall. But when he discontinues his studies that bona fide student will be compelled under the rules and regulations promulgated by the Department of Labor under section 12 of this bill to notify the Secretary of Labor, and there will therefore be a complete record of all the students who enter, where they are, when they graduate, when they complete their course, or when they discontinue their studies.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. May I have one minute more?

The CHAIRMAN. The gentleman asks unanimous consent that his time be extended one minute. Is there objection?

There was no objection.

Mr. RAKER. By this means we will avoid the present dissatisfaction. It will cause harmony, will make better feeling, and the country will be more open than it is to-day to admit any qualified man or woman who can come up to the qualifications of admission to this country, so far as health is concerned, to come to our institutions or learning, so that they may graduate and get the benefit of our various schools, seminaries, col-

leges, and other institutions of learning, and then return to their homes and benefit their own people, but not use the law as a subterfuge to come here as common laborers. We believe we have met this situation clearly and fully.

Mr. VOLK. Mr. Chairman, before offering an amendment I should like to move to strike out the last word in subsection 3 on page 3 for the purpose of asking a question for information. That subsection provides:

Bona fide students who may enter the United States solely for the purpose of study at educational institutions particularly designated by them; and upon graduation, completion, or discontinuance of studies they shall not be entitled to remain in the United States.

I wish to ask if this would apply to the Rand School in New York City?

Mr. JOHNSON of Washington. In my opinion we have laws now for the deportation and sending out of the United States of those who are anarchists, those who preach the overthrow of organized government, the assassination of officials, and so on. Students coming in will be required to designate the educational institution which they intend to attend, and any person designating the Rand School would be subjected to a particular scrutiny as to where he came from and what his policies were with reference to certain matters covered in our present immigration laws, with regard to deportation, which I think would cover that.

Mr. VOLK. Suppose a student matriculates in one institution and thereafter he transfers to the Rand School. Would this law cover his case?

Mr. JOHNSON of Washington. I think so.

Mr. FESS. Is the Rand School a real school?

The CHAIRMAN. Does the gentleman from New York [Mr. Volk] yield the floor?

Mr. VOLK. I should like to offer the following amendment. The CHAIRMAN. The gentleman from New York [Mr. Volk] withdraws his pro forma amendment and offers the amendment which the Clerk will report.

The Clerk read as follows:

Page 3, line 15, insert a new section:

"Sec. 5. Otherwise admissible aliens who at the time of the passage of this act have in good faith applied for and are in possession of a properly viséed passport."

Mr. VOLK. Mr. Chairman, the purpose of this amendment is so evident that I think it hardly needs any discussion. It was stated here on the floor that vessels are held in ports which are crowded with immigrants who want to get here. These people may be three or four months in reaching this country. They may be three or four months before they get a vessel to bring them here. If these people are left in foreign countries and must return to their original country, having sold all their possessions and subject to persecution, as they will be, for trying to leave the country, they will be in a bad situation. Therefore I believe that if in good faith they have applied for passports at the time of the passage of this act and are in possession of properly viséed passports they should be allowed to enter, and the 60-day limit should not apply to them.

Mr. JOHNSON of Washington. Mr. Chairman, I think it must be apparent to the members of the committee that if you cut the prohibition at one end and extend the time at the other you will lose all advantage of the act. These people have applied, of course, in good faith for their passports, but they have not got the passports, and on top of that the Italian Government has sent word that they are proposing to suspend the issue of passports from there. The Italian Government notifies us that they would like to have the time extended to six months.

Mr. RAKER. If this amendment is adopted, you might as well do away with the bill, because there are millions who have made applications for passports, and they would come over here by the millions.

Mr. HUSTED. I would like to ask the chairman of the committee if he does not think the bill could except those who have applied for and actually hold passports viséed by the American consular officers at the time the bill goes into effect?

Mr. JOHNSON of Washington. My impression is that the State Department is endeavoring to have the viséing of passports greatly reduced. In addition to this act, the State Department is doing all it can to prevent people, as they are, moving hundreds of miles to find the United States consular office where they can stand in line and get passports. It is proposed by the State Department, whether this bill passes or not, to put up great posters in the language of foreign countries warning them against trying to come to this country.

Mr. HUSTED. I see that it would not be practicable to cover everybody who has applied, but I do not see any good reason for excepting those who have not only applied but who

actually hold viséed passports. I imagine many of those would not be able to get transportation in 60 days.

Mr. BEE. Mr. Chairman, I move to strike out the last word. I want to call the attention of the chairman of the committee to some of the provisions in this section 3. Of course, I understand what the general proposition is, but you provide that those who enter for the purpose of studying at an educational institution may be admitted. The educational institution might mean a public school. If you put the restriction on students who come here to study in institutions of the first class, that would make it definite, and I throw that out as a suggestion.

Now, is it possible if a man comes from England or Ireland and enters the University of California or of Texas or Harvard University, stays four years, graduates at the head of his class, acquires not only a thorough knowledge of the institutions of this country but a thorough education, that he must go back to the country from which he came at the end of the four years, no matter how good a citizen he might become if permitted to remain? I think that they might require him to enter institutions of the first class, remain until he graduated, and then upon graduation let the matter be determined as to his fitness, unless—and the gentleman from California can tell me if I am correct—unless the purpose is to exclude a certain class that ought to be kept out of the country altogether. If you are afraid that they will come in, then it might be that the tail will go with the hide.

Mr. MILLER. Would not the act expire before he completed his study for four years.

Mr. BEE. I imagine if this act is passed and it proves beneficial, as some of its proponents claim, it will be extended.

Mr. RAKER. Mr. Chairman, if the gentleman will yield, he has first to attend an educational institution designated by him. He may designate half a dozen, he may designate a high school in Massachusetts, he may designate Harvard University or the University of California. He will be entitled to go through all of these schools. The gentleman's suggestion that he should have an examination after he has passed through these institutions is hardly practicable. Let him return, and after he goes back to his own country, and after the suspension of two years, then if otherwise admissible he can come back here.

Mr. BEE. Would he not be able to enter a primary school under this?

Mr. RAKER. Yes; why not? A primary school or a high school or university, but do not let him come, as in many instances they have, as students and within a week quit the school and go to work.

Mr. BEE. I am not discussing that phase of it; I am discussing the question of a man coming here and becoming a bona fide student in an institution of the first class.

Mr. FESS. I think that my friend has overlooked the differentiation that lies between the word "student" and the word "pupil." You never speak of a student going to a secondary school. One who attends a secondary school is a pupil or a scholar.

Mr. BEE. That is not a legal definition, is it?

Mr. FESS. Yes.

Mr. BEE. But surely one can be a student in a primary class.

Mr. FESS. Oh, he would then be a pupil, not a student in a primary class. The word "student" is applied to institutions of higher learning.

Mr. BEE. Does the gentleman contend that the word "student" is a legal expression, applied to an institution of higher learning?

Mr. FESS. I insist that the term "student" is not applied to one attending any institution below the rank of one of higher learning.

Mr. BEE. By custom.

Mr. FESS. And the word "pupil" or "scholar" are used as applying to those attending secondary schools. This is the legal language.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. BEE. Yes.

Mr. LAYTON. Do I understand that any bona fide student of any nationality, professing any particular form of political philosophy—a Bolshevik, or a socialist, or anything of that kind—is permitted to come in under this provision?

Mr. BEE. Yes.

Mr. RAKER. Oh, no; no. The gentleman should not be misunderstood. He must be "otherwise admissible." A Bolshevik, an I. W. W., a revolutionary, an anarchist, shall not come in, student or otherwise.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SMITH of Michigan. Mr. Chairman, I have an amendment which I desire to offer to section 3.

The CHAIRMAN. There is an amendment already pending offered by the gentleman from New York, and unless the amendment of the gentleman from Michigan is an amendment to that amendment his amendment is not yet in order.

Mr. SMITH of Michigan. Mr. Chairman, I ask unanimous consent that the amendment of the gentleman from New York be again reported.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the amendment of the gentleman from New York be again reported. Is there objection?

There was no objection.

The Clerk again reported the amendment offered by Mr. VOLK.

Mr. VOLK. Mr. Chairman, I ask unanimous consent to modify my amendment by striking out of it the words "have in good faith applied for or," making the amendment read:

Otherwise admissible aliens, who at the time of the passage of this act are in possession of properly viséed passports.

The CHAIRMAN. The gentleman from New York asks unanimous consent to modify his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. VOLK: Page 3, after line 15, a new subdivision:

"Subdivision (5). Otherwise admissible aliens who at the time of the passage of this act are in possession of properly viséed passports."

Mr. MANN of Illinois. Mr. Chairman, I desire to make an inquiry. I probably shall not vote for the bill, and the bill probably will not become a law before the 3d or 4th of March, if it becomes a law at all. How many passports can be issued between now and then, and how many immigrants can actually be brought into the country within a year after that on the available vessels?

Mr. JOHNSON of Washington. Mr. Chairman, I read the figures here yesterday that the passport visés of 17 principal places had increased very rapidly in the last quarter—that is, up to September.

Mr. MANN of Illinois. What I want to know is if they can visé as many passports between now and the 4th of March as they can bring in for the next year.

Mr. JOHNSON of Washington. Yes; and more.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. VOLK].

The question was taken, and the Chair announced that he was in doubt.

The committee divided; and there were—ayes 20, noes 22.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Michigan [Mr. SMITH] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Michigan: Page 3, lines 13 and 14, after the word "upon," in line 13, strike out the word "graduation," and in line 14 strike out the words "completion, or," and after the word "studies," in line 14, insert "before graduation," so that the paragraph will read: "and upon discontinuance of studies before graduation."

Mr. SMITH of Michigan. Mr. Chairman and gentlemen of the committee, the purpose of this bill is to prevent undesirable citizens of other countries coming into the United States. If there is a person who desires to be educated, or if there is a reason why a person should be admitted into our country, if that person wants to be educated and wants to learn and wants to study and wants to become a good citizen of the United States, it seems to me he ought to be admitted. That appeals to me. If a person wishes to come into the United States for that purpose, there is no other purpose that appeals to me that is before and above that of acquiring an education. Now, we allow—

Mr. JONES of Texas. Will the gentleman yield?

Mr. SMITH of Michigan. In just a minute. Now, we allow resident aliens to remain here, and if a person comes here and graduates from one of our institutions, in the light of civilization, in the light of good citizenship, it seems to me if he has taken a degree from Harvard or from Yale or the University of Michigan, Cornell or Stanford, or any other of our great educational institutions, and desires to practice law, medicine, or any other profession and live according to the ideals of our institutions after he has graduated and gets his diploma, after he has the certificate of one of the colleges of our country, is

a good citizen and entitled to graduate, he ought to remain here at his pleasure as long as he is a good citizen.

Mr. DAVEY. Will the gentleman yield?

Mr. SMITH of Michigan. A short question, because my time is limited.

Mr. DAVEY. I would like to ask the gentleman if it is a guaranty of good citizenship for a man to graduate?

Mr. SMITH of Michigan. It is to me. If he has so graduated, there is no better guaranty of citizenship.

Mr. JONES of Texas. If the gentleman will yield further, is it not possible under the terms of the gentleman's amendment to take a 6-weeks course in some college that graduates men in a very short time and yet comply with the literal terms of the gentleman's amendment?

Mr. SMITH of Michigan. If he has a certificate of graduation—why the present law is the literacy test. A man needs only to read 40 words in his own language. What does that signify besides graduating from college? They say this amendment will allow anarchists to come in. If that is so, we ought to send the anarchists out we now have here. They ought to be deported and ought not to be permitted to remain here. Whoever advocates the overthrow of our Government by force or violence ought to be hunted down the same as a traitor for treason. That is all it is. [Applause.] You say this might allow a man advocating such a doctrine as that to come in. Well, under the present law and under our institutions—

Mr. BLANTON. Will the gentleman yield?

Mr. SMITH of Michigan. I will.

Mr. BLANTON. Does my friend from Michigan realize that just before the last election nearly one-third of the senior class of a university in one of the States not so far from Washington expressed a preference for Eugene Debs, a convicted traitor to his country, now in the penitentiary under our laws?

Mr. SMITH of Michigan. I never heard of that, and I hope I never will again.

Mr. BLANTON. Well, it is a fact.

Mr. SMITH of Michigan. Those are the ones who are giving us trouble to-day, and I do not believe in this sabotage, anarchy, or treason. Neither do I believe in the destruction of our institutions or our grand Republic. I believe in law and order. I would punish to the extent of the law, and use the entire force of our Government to expel all of those radicals; but I say in the interest of education and good citizenship that these people who graduate ought to remain. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENRY T. RAINEY. Mr. Chairman, I have an amendment to offer.

The CHAIRMAN. There is an amendment pending. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was rejected.

Mr. HENRY T. RAINEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HENRY T. RAINEY: At the end of line 15, on page 3, insert a new provision as follows:

"5. Bona fide farm laborers who may enter the United States solely for the purpose of engaging in labor on a farm or farms or in a truck garden or truck gardens, and upon the completion or discontinuance of such employment they shall not be entitled to remain in the United States."

Mr. HENRY T. RAINEY. Mr. Chairman, I ask unanimous consent to speak for 10 minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HENRY T. RAINEY. Mr. Chairman, I want to ask the attention of the committee, and the serious attention of the committee, to this amendment which I propose. It permits the admission of farm laborers to work on farms or in truck gardens and requires them to leave the country whenever they discontinue that employment, and they can not engage, under this amendment, in any other employment while they are in this country. There is nothing new about legislation of this character. In Germany before the war they had most rigid immigration laws excluding skilled laborers but not excluding common laborers. A common laborer, a man who wanted to work on a farm, could be admitted always to Germany before the war under the limited passport system which prevailed there.

When his work was finished he was compelled to leave, and he could not engage in any skilled employment. And Germany protected by the most rigid laws any interference with skilled laborers who worked with machines. Her approaching supremacy among the industrial nations at the outbreak of the war was due largely to this fact, that she reserved for skilled

employment her own laborers and admitted the cheap laborers from Russia and from Italy within her boundaries to work on the farms and even to dig ditches and sewers in the cities and to build subways. The bill we are considering is presented now largely at the demand of organized labor, in order to keep up to their present standard the living wages they are now receiving. But organized labor does not enter this field. It refuses to enter the field of work upon farms.

A great commission firm in the city of Chicago has just advised the raisers of sheep to feed their sheep to hogs. They are not valuable enough on the markets to be even manufactured into fertilizers. Farmers are selling corn at 50 cents a bushel and at less than that. With the high-priced labor they are compelled to employ, they are producing corn at a loss. This year farmers, unless they are relieved in some way, will produce wheat at a loss, as well as all kinds of bread grains. They are not organized. Their attempts to organize I am afraid will fail. But I want to tell you what they will do unless they can get cheaper labor on their farms. They can not compete in labor prices with the prices that are being paid by the great industries. You will find farmers, who are able to till a small part of their farms with their wives and their children, tilling their farms and producing sufficient foodstuffs for themselves, but just as little in addition to that as they possibly can. The farming industry is up against it in this country at the present time as no other industry is.

Mr. SUMNERS of Texas. Will the gentleman yield for a question?

Mr. HENRY T. RAINEY. I will.

Mr. SUMNERS of Texas. I ask this for information. If this amendment is adopted will it not put this cheap labor in competition with the farmer who with his family is trying to make a little money in addition to a living?

Mr. HENRY T. RAINEY. Certainly not. It gives him an opportunity to employ cheaper labor and produce something of a surplus for these high-priced laborers in our factories who are moving to keep up the high wages they are now receiving.

Mr. WALSH. Will the gentleman yield?

Mr. HENRY T. RAINEY. I will.

Mr. WALSH. Would not the adoption of this amendment stimulate the exodus of the colored laborer from the South to the industrial centers?

Mr. HENRY T. RAINEY. I do not think so at all.

Mr. WALSH. Well, there has been, as the gentleman knows, quite a lively movement along that line.

Mr. HENRY T. RAINEY. I am aware of that. But the colored laborer of the South is not going to be employed in the skilled industries to any considerable extent.

Mr. WALSH. They are employed in large numbers in the city of Chicago.

Mr. HENRY T. RAINEY. In the stockyards?

Mr. SABATH. They imported about 60,000 in the last few years.

Mr. JOHNSON of Washington. Remember that under this short-term extension you can bring the labor from Jamaica, Brazil, or Mexico, wherever you can find labor cheap enough to go to that employment.

Mr. HENRY T. RAINEY. Or in the Eskimo country at the north.

Mr. JOHNSON of Washington. In the Eskimo country, or in the island of Java, where there are 35,000,000 people.

Mr. HENRY T. RAINEY. Certainly. If the farmer is going to be compelled to produce foodstuffs, or is expected to do so. You can not compel him to do it; at the present price he must have cheap labor. My proposition will not interfere with organized labor in the least.

Mr. JOHNSON of Washington. Has the gentleman any information to the effect that the very thing that is setting central Europe on the move is the very thing that happens here, where the farmer draws into his shell and says, "I will raise only enough for myself"?

Mr. HENRY T. RAINEY. The farmer here will do that very thing. The farmer can not be compelled to be a philanthropist always. [Applause.] He can not be compelled always to work for nothing for the people who live in the cities. He can not be compelled always to work for these wage earners who are organized and who get \$8 and \$10 a day. He must have an opportunity to make something for himself.

Mr. JOHNSON of Washington. Yes. What has produced this great movement in central Europe? As we get it, the farmers have done that thing, for the reason that their products have been taken by the cities or gobbled up by the army.

Mr. HENRY T. RAINEY. My proposition is to bring them here and produce cheaper foodstuffs.

Mr. JOHNSON of Washington. What we got here up to September 30 was 2.8 per cent of farmers and about 3 per cent farm laborers. Even among those coming now are men who had once been jewelers or watchmakers, and so on, whose occupation is gone when the farmer draws in his business.

Mr. HENRY T. RAINEY. Oh, they bring in here farm laborers from Italy, the best farm laborers in the world; but the big industrial establishments gobble them up in New York as fast as they come—these industries which pay high wages that the farmer can not expect to pay.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. HENRY T. RAINEY. Yes.

Mr. JONES of Texas. By what process will you be able to keep them on the farm when they come here?

Mr. HENRY T. RAINEY. By the same process that you keep students in colleges who are to come here under this bill, and compel them to go back; by the same process that you now apply to criminal aliens when we want to get rid of them. There will be numerous people in the localities where they work who will know them and who will know all about them.

Mr. JONES of Texas. In order to relieve the farms you would have to have a large number of such farm laborers, and it would require a great army of people to keep track of them.

Mr. HENRY T. RAINEY. It is a perfectly simple proposition. It was worked out in Germany under provisions exactly similar to this before the war, and it can be worked out here. The working or administrative sections of this very clause are sufficient to accomplish the fact that they can not engage in any other employment.

Mr. CARAWAY. Mr. Chairman, will the gentleman yield?

Mr. HENRY T. RAINEY. Yes.

Mr. CARAWAY. Would not an employer of that labor fall under our peonage statute? If a man is compelled to engage in a certain occupation, would not the farmer who employed that man in that labor be subject to indictment and trial under the peonage law in the United States?

Mr. HENRY T. RAINEY. Certainly not.

Mr. CARAWAY. Why not? If a man is compelled to labor or suffer a disadvantage if he does not continue in that occupation—

Mr. HENRY T. RAINEY. He is not compelled to labor by the farmer. He will come in here to work on a farm at his own volition. The farmer does not make him work.

Mr. CARAWAY. I am not antagonistic to the gentleman's proposition. I am simply asking for information. If the laborer is compelled to stay in a particular employment or suffer disadvantage, is not that exactly what our courts have said constitutes peonage?

Mr. HENRY T. RAINEY. No. Let me ask my friend, for whose legal opinion I have great respect, this question: Who would be guilty of that offense?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HENRY T. RAINEY. Mr. Chairman, may I have three minutes more?

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for three minutes more. Is there objection?

There was no objection.

Mr. HENRY T. RAINEY. I will say to the gentleman that the laborer comes in by permission of the United States Government and under a contract with the United States Government to work at this employment and none other. The United States Government can not violate the peonage laws.

Mr. CARAWAY. Our friends amended the Constitution. Legislatures have proposed to meet that situation so as to provide that we could not compel the negro to work overtime. Now, in a situation where there is any kind of penalty attached to a man's quitting labor that he does not like there becomes a condition of enforced servitude. An act of a landlord attempting to make a man pay all his debts before he could remove his effects and quit the place of his employment has been held a violation of our peonage statute.

Mr. HENRY T. RAINEY. It would not be possible for such a condition as the gentleman describes to occur in this case.

Mr. LAYTON. The gentleman's idea is that the farmer should have cheap labor in order that he might have a greater profit?

Mr. HENRY T. RAINEY. In order that he might have some profit. He is not getting any now.

Mr. LAYTON. Some profit?

Mr. HENRY T. RAINEY. In order to produce foodstuffs—

Mr. SABATH. And reduce the cost of living.

Mr. LAYTON. Do you think it possible in these United States to have a cheap class of labor upon the farm and high-priced labor in industrial pursuits?

Mr. HENRY T. RAINEY. Certainly; that is true. Wages vary now on the farms and in the industries. There are men in Pittsburgh who as laborers during the war got \$1,000 a month. Of course, wages vary and always will vary.

Mr. LAYTON. During the war prices went up absolutely upon an equal plane, from the bootblack up.

Mr. HENRY T. RAINEY. Yes; but they are not coming down on an equal plane.

Mr. LAYTON. But they will.

Mr. HENRY T. RAINEY. The farmer is getting the worst of it.

Mr. LAYTON. That is true, but other things will come down also.

On motion of Mr. JOHNSON of Washington the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 14461) to provide for the protection of the citizens of the United States by the temporary suspension of immigration, and for other purposes, had come to no resolution thereon.

#### THE PANAMA CANAL.

The SPEAKER laid before the House the following message from the President of the United States, which, with the accompanying documents, was referred to the Committee on Interstate and Foreign Commerce:

*To the Senate and House of Representatives:*

I transmit herewith, for the information of the Congress, the annual report of the Governor of the Panama Canal for the fiscal year ended June 30, 1920.

WOODROW WILSON.

THE WHITE HOUSE,

10 December, 1920.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. REED of West Virginia, indefinitely, on account of illness in his family (at the request of Mr. GOODYKOONTZ).

To Mr. BLACK, for 10 days, on account of sickness in his family.

To Mr. CAMPBELL of Pennsylvania, for to-day, on account of important business.

#### LEAVE TO EXTEND REMARKS.

Mr. SMITH of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

Mr. KLECZKA. I make the same request.

Mr. GARD. Is it understood that these requests relate to remarks on the pending bill?

The SPEAKER. The Chair assumes so.

Mr. RAKER. I make the same request.

Mr. HENRY T. RAINEY. I make the same request.

The SPEAKER. The gentleman from Michigan [Mr. SMITH], the gentleman from Wisconsin [Mr. KLECZKA], the gentleman from California [Mr. RAKER], and the gentleman from Illinois [Mr. HENRY T. RAINEY] ask leave to revise and extend their remarks. Is there objection?

There was no objection.

#### LEAVE TO WITHDRAW PAPERS—MARTHA A. WADE.

Mr. McKINLEY, by unanimous consent, obtained leave to withdraw from the files of the House the papers in the case of Martha A. Wade (H. R. 11218, 66th Cong., 2d sess.), no adverse report having been made thereon.

#### ADJOURNMENT.

Mr. JOHNSON of Washington. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until Saturday, December 11, 1920, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

185. A letter from the Secretary of the Interior, transmitting report as to the right of Stevens and Ferry Counties, in the State of Washington, to the payment of taxes on allotted Indian lands under existing law; to the Committee on Indian Affairs.

186. A letter from the Secretary of the Treasury, transmitting statement from various bureaus and offices of the Treasury De-

partment showing in detail what officers and employees performed travel on official business from Washington to points outside of the District of Columbia; to the Committee on Expenditures in the Treasury Department.

187. A letter from the Secretary of the Treasury, transmitting supplemental estimate of appropriation required by the Postal Service for mail-bag equipment, fiscal year 1921, payable from postal revenues (H. Doc. No. 914); to the Committee on Appropriations and ordered to be printed.

188. A letter from the Secretary of the Treasury, transmitting statement showing the number of employees and their compensation in the Bureau of Engraving and Printing whose compensation is paid from "Expense of loans" and "Compensation of employees" as carried in the sundry civil act, but who are detailed for duty in the bureau; to the Committee on Expenditures in the Treasury Department.

189. A letter from the Secretary of the Treasury, transmitting recommendation for repeal of legislation authorizing acquisition of a site for a subtreasury at New Orleans; to the Committee on Public Buildings and Grounds.

190. A letter from the Secretary of War, transmitting report showing names of all purchasers of nitrate of soda in accordance with public resolution 39 (66th Cong.); to the Committee on Expenditures in the War Department.

191. A letter from the Secretary of the Navy, transmitting draft of requested legislation for appropriation and authorization for transfer of certain material for building tenders for the Navy; to the Committee on the Merchant Marine and Fisheries.

192. A letter from the Secretary of the Treasury, transmitting supplemental estimates of appropriation required by the Bureau of Internal Revenue for expenses of collection of the revenue for 1921 and for refunding taxes and collections for prior years (H. Doc. No. 915); to the Committee on Appropriations.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 14776) granting a pension to John Halpen, and the same was referred to the Committee on Invalid Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GREENE of Massachusetts: A bill (H. R. 14895) to provide for the transfer of the steamship *Martha Washington* to Cosulich Societa Triestina di Navigazione, an Italian corporation of Trieste, and directing the United States Shipping Board to make delivery of the said steamship and to determine, award, and pay just compensation for use of the said steamship; to the Committee on the Merchant Marine and Fisheries.

By Mr. SINCLAIR: A bill (H. R. 14896) authorizing and directing the President of the United States to appoint a commission to investigate and report to Congress a general system for the cooperative marketing of all farm products; to the Committee on Agriculture.

By Mr. FOSTER: A bill (H. R. 14897) providing monthly payment of pensions; to the Committee on Invalid Pensions.

By Mr. GODWIN of North Carolina: A bill (H. R. 14898) authorizing preliminary examination and survey for a third lock and dam in the Cape Fear River, N. C.; to the Committee on Rivers and Harbors.

By Mr. ESCH: A bill (H. R. 14899) to authorize aids to navigation and for other works in the Lighthouse Service and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 14900) to distribute the commissioned line and engineer officers of the Coast Guard in grades in the same proportions as provided by law for the distribution in grades of commissioned line officers of the Navy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also (by request), a bill (H. R. 14901) to amend the interstate commerce act by adding at the end of section 20a a new paragraph, and to repeal section 10 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDFOGLE: A bill (H. R. 14902) relating to certain laborers in the Postal Service of the United States; to the Committee on Reform in the Civil Service.

By Mr. McFADDEN: A bill (H. R. 14903) to amend section 10 of the act approved December 23, 1913, known as the Fed-

eral reserve act, as amended by the act approved March 3, 1919; to the Committee on Banking and Currency.

By Mr. YOUNG of North Dakota: A bill (H. R. 14904) to amend section 7 of the Federal reserve act, approved December 23, 1913, as amended; to the Committee on Banking and Currency.

By Mr. McARTHUR: A bill (H. R. 14905) to appropriate additional sums for Federal aid in the construction of post roads, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McKEOWN: A bill (H. R. 14906) to establish cattle and farm products banks in connection with the Federal farm-loan banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. LANGLEY: A bill (H. R. 14907) to increase the pensions of those who have lost limbs, or have been totally disabled in the same, in the military or naval service of the United States; to the Committee on Invalid Pensions.

By Mr. BRAND: A bill (H. R. 14908) authorizing the Secretary of War to donate to the White Plains High School, White Plains, Ga., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 14909) to amend an act to reduce tariff duties and provide revenue for the Government, and for other purposes, approved October 3, 1913; to the Committee on Ways and Means.

By Mr. NOLAN: Resolution (H. Res. 611) discharging the Committee of the Whole House on the state of the Union from the consideration of H. R. 11984, and agreeing to the conference requested by the Senate thereon; to the Committee on Rules.

By Mr. BRIGGS: Joint resolution (H. J. Res. 401) authorizing and instructing the Secretary of the Treasury and War Finance Corporation to revive the activities of the War Finance Corporation and to direct the Federal Reserve Board to cooperate in affording necessary relief in the present emergency; to the Committee on Banking and Currency.

By Mr. BLACKMON: Joint resolution (H. J. Res. 402) authorizing the erection on public ground in the city of Washington, D. C., of a memorial to the dead of the First Division, American Expeditionary Forces, in the World War; to the Committee on the Library.

By Mr. MONAHAN of Wisconsin: Joint resolution (H. J. Res. 403) authorizing the painting of a full-length portrait of Abraham Lincoln, and placing it in the Hall of the House of Representatives; to the Committee on the Library.

By Mr. WELLING: Joint resolution (H. J. Res. 404) to suspend the requirements of annual assessment work on mining claims during the year 1920; to the Committee on Mines and Mining.

By Mr. ZIHLMAN: Joint resolution (H. J. Res. 405) authorizing the appropriations of certain funds now in the Federal Treasury to the credit of the District of Columbia, and authorizing an appropriation for the enlargement of the present water system of the District of Columbia; to the Committee on the District of Columbia.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 14910) granting a pension to Malissa Main; to the Committee on Invalid Pensions.

By Mr. BABKA: A bill (H. R. 14911) for the relief of E. A. Schwarzenberg; to the Committee on Claims.

By Mr. BRUMBAUGH: A bill (H. R. 14912) granting an increase of pension to Mary G. Patton; to the Committee on Invalid Pensions.

By Mr. BURDICK: A bill (H. R. 14913) granting a pension to Mary J. Hennessey; to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 14914) granting a pension to Sarah S. Williver; to the Committee on Invalid Pensions.

By Mr. GOODYKOONTZ: A bill (H. R. 14915) granting a pension to William J. Vanhooze; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 14916) granting an increase of pension to Joseph J. Nedd; to the Committee on Pensions.

Also, a bill (H. R. 14917) granting an increase of pension to Zara Dayton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14918) granting a pension to Sylvia Ferington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14919) granting a pension to Margaret L. Craig; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14920) for the relief of James T. Farrill; to the Committee on Military Affairs.

By Mr. HULINGS: A bill (H. R. 14921) granting a pension to Minnie M. Raynor; to the Committee on Pensions.

By Mr. IGOE: A bill (H. R. 14922) for the relief of Mary Neaf; to the Committee on Military Affairs.

By Mr. MCARTHUR: A bill (H. R. 14923) granting an increase of pension to Charles A. Marcy; to the Committee on Pensions.

Also, a bill (H. R. 14924) granting an increase of pension to Theodore Hansen; to the Committee on Pensions.

By Mr. MAHER: A bill (H. R. 14925) granting a pension to Margaret Whelan; to the Committee on Pensions.

By Mr. MASON: A bill (H. R. 14926) for the relief of James Baird; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 14927) granting a pension to Veronica Deckarz; to the Committee on Pensions.

By Mr. MOON: A bill (H. R. 14928) for the relief of the heirs of Robert E. L. Rogers; to the Committee on War Claims.

Also, a bill (H. R. 14929) granting an increase of pension to James W. Scott; to the Committee on Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 14930) granting an increase of pension to Malcolm G. Brenholtz; to the Committee on Pensions.

Also, a bill (H. R. 14931) granting an increase of pension to Frederick W. Gruber; to the Committee on Pensions.

By Mr. MOTT: A bill (H. R. 14932) granting a pension to Minnie W. Caswell; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 14933) granting an increase of pension to Mary E. Graham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14934) granting an increase of pension to Angeline Coolman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14935) granting an increase of pension to Amanda L. Townsend; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14936) granting a pension to Minnie M. Field; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14937) granting a pension to Catherine Moler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14938) granting a pension to Mary I. Bennett; to the Committee on Invalid Pensions.

By Mr. HENRY T. RAINEY: A bill (H. R. 14939) conferring upon William A. Kirby the rank of major, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 14940) granting a pension to Sarah E. Hall; to the Committee on Invalid Pensions.

By Mr. RAMSEY: A bill (H. R. 14941) granting a pension to Lillian S. Dodds; to the Committee on Invalid Pensions.

By Mr. RHODES: A bill (H. R. 14942) granting an increase of pension to Margaret Gibbons; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 14943) for the relief of I. J. Shelley; to the Committee on Claims.

Also, a bill (H. R. 14944) for the relief of William H. Keenan; to the Committee on Claims.

By Mr. SELLS: A bill (H. R. 14945) granting a pension to George W. Burleson; to the Committee on Pensions.

By Mr. STEENERS: A bill (H. R. 14946) for the relief of William Roof; to the Committee on Military Affairs.

Also, a bill (H. R. 14947) granting a pension to Ole L. Rindahl; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 14948) granting a pension to Lucy J. Popejoy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14949) granting a pension to Annie Dabney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14950) granting a pension to Jerry H. Fryar; to the Committee on Invalid Pensions.

Also, a bill (H. R. 14951) granting a pension to Carl D. Watters; to the Committee on Pensions.

By Mr. THOMPSON: A bill (H. R. 14952) granting an increase of pension to Ida L. Baker; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4366. By the SPEAKER: Petition of representatives of 1,500,000 farmers, members of the American Farm Bureau Federation, Indianapolis, Ind., favoring legislation that will help farmers over the present crises; to the Committee on Ways and Means.

4367. Also, petition of the faculty and students of the Massachusetts Agricultural College, protesting against the inclusion of the national parks and monuments in the water-power act of June, 1920; to the Select Committee on Water Power.

4368. By Mr. BRIGGS: Petitions of George Washington Chapter, Daughters of the American Revolution, of Galveston, Tex.; Ladies' Aid Society of Anne Trueheart Memorial Presbyterian Church; Community Club of Galveston; District Women's Christian Temperance Union; Galveston Art League; K. & L. of S., No. 1800; Ladies' Hospital Aid Society; Merrie Wives' Milk Fund for Public Schools; Civic Planting, Woman's Health Protective Association; Veuve Jefferson Davis Chapter, No. 17, United Daughters of the Confederacy; Consolation Club; Evergreen Circle, No. 73; Woman's Naval Service (Inc.), of Galveston; Galveston Lodge, No. 34, Degree of Honor; Galveston Review, No. 41, of the Woman's Benefit Association Macabees; Dingeman Hive, No. 881, Macabees; Alexander Lodge, No. 45, Ladies' Brotherhood of Locomotive Firemen and Engineers, in support of the early passage of the Sheppard-Towner maternity and infancy bill; to the Committee on Interstate and Foreign Commerce.

4369. By Mr. CANNON: Petition of sundry citizens of Illinois, protesting against colored French troops in Germany; to the Committee on Foreign Affairs.

4370. Also, petition of sundry citizens of Illinois, protesting against legislation for the public protection of maternity and infancy; to the Committee on Interstate and Foreign Commerce.

4371. By Mr. DARROW: Petition of the National Geographic Society of Philadelphia, opposing the establishment and control of irrigation storage reservoirs in the Yellowstone National Park by commercial interests; to the Select Committee on Water Power.

4372. By Mr. ESCH: Petition of the American Library Association, in annual conference assembled at Colorado Springs, Colo., urging the passage of Senate bill 2457 and House bill 6870; to the Committee on Education.

4373. By Mr. FULLER of Illinois: Petition of the Rockford Life Insurance Co., of Rockford, Ill., favoring 1-cent drop-letter postage; to the Committee on the Post Office and Post Roads.

4374. Also, petition of Local Union No. 54, Painters, Decorators, and Paperhangers of America, favoring amnesty for all political prisoners and repeal of the espionage law; to the Committee on the Judiciary.

4375. Also, petition of the Barber Coleman Co., of Rockford, Ill., favoring the enactment of a law to punish acts of commercial bribery; to the Committee on the Judiciary.

4376. Also, petition of the Rockford (Ill.) Women's Club and the Rockford Hospital Association, favoring the passage of the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4377. Also, petition of the Western Central Stove Manufacturers, favoring repeal of the excess profit tax for 1920; to the Committee on Ways and Means.

4378. Also, petition of F. A. Roziene, president of the National Association of Vicksburg Veterans, of Chicago, Ill., favoring the passage of the volunteer officers' retirement bill; to the Committee on Military Affairs.

4379. By Mr. GARRETT: Petition of Mr. J. G. Stoker, county chairman, Weakley County Sheep Growers Association, of Drisden, Tenn., favoring the passage of the truth in fabric bills S. 3686 and H. R. 11641; to the Committee on Interstate and Foreign Commerce.

4380. By Mr. IRELAND: Petition of members of the Woman's Club of Pekin, Ill., urging passage of House bill 10925 and S. 3259; to the Committee on Interstate and Foreign Commerce.

4381. Also, petition of various citizens of Peoria, Ill., concerning the proposed establishment of a Federal department of health; to the Committee on Appropriations.

4382. By Mr. KING: Petition of the Kewanee (Ill.) Womens Club, favoring the passage of the Sheppard-Towner maternity bill; to the Committee on Interstate and Foreign Commerce.

4383. By Mr. LONERGAN: Petition of Sanford (Conn.) teachers, favoring the exclusion of national parks from operation of the water-power bill; to the Select Committee on Water Power.

4384. By Mr. MacGREGOR: Petition of the Railway Mail Association, regarding report of the Joint Congressional Wage Commission; to the Committee on the Post Office and Post Roads.

4385. By Mr. O'CONNELL: Petition of the Merchants' Association of New York, favoring a revision of the present income-tax laws; to the Committee on Ways and Means.

4386. Also, petition of the directors of the East Brooklyn Savings & Loan Association, recommending amendment to the present income-tax law; to the Committee on Ways and Means.

4387. Also, petition of the Silk Association of America, New York City, favoring change in the present revenue laws; to the Committee on Ways and Means.

4388. Also, petition of Local Union No. 791, United Brotherhood of Carpenters and Joiners of America, of Brooklyn, N. Y., favoring a bonus for veterans of the late war; to the Committee on Ways and Means.

4389. Also, petition of the American Library Association, in annual conference assembled at Colorado Springs, Colo., urging the passage of S. 2457 and H. R. 6870; to the Committee on Education.

4390. Also, petition of J. H. Williams & Co., of Brooklyn, N. Y., favoring a change in the present method of handling foreign commerce and urging appropriation for same; to the Committee on Appropriations.

4391. By Mr. SINCLAIR: Petition of the Women's Federated Club of Grace City, N. Dak., protesting against the passage of legislation permitting the waters of our national parks to be used for commercial purposes; to the Committee on the Public Lands.

4392. By Mr. TAGUE: Petition of the Aberthaw Construction Co., of Boston, Mass., favoring 1-cent postage on drop letters; to the Committee on the Post Office and Post Roads.

4393. By Mr. TEMPLE: Petition of the Women's Club of Beaver, Pa., favoring the passage of the Smith-Towner bill and the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4394. Also, evidence in support of H. R. 14731, granting a pension to Sarah A. Vale; to the Committee on Invalid Pensions.

## SENATE.

SATURDAY, December 11, 1920.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee with our daily tasks because we are engaged in a struggle for the supremacy of truth. We know that truth in its highest form emerges only as the result of human effort and human consecration. We turn to Thee praying Thee to give us the purpose of heart, to give us the spirit of endeavor and of consecration, that we may deliver the forces of our lives for the establishment of the truth here and everywhere. Save us from error. Save us from compromising with half truths. Give us the spirit of perfect consecration to the truth as it is in Jesus. We ask it in His name. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### INTERDEPARTMENTAL SOCIAL HYGIENE BOARD (H. DOC. NO. 892).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, a report of the United States Interdepartmental Social Hygiene Board for the first fiscal year ended June 30, 1920, which was referred to the Committee on Public Health and National Quarantine.

### BONUS TO EMPLOYEES.

The VICE PRESIDENT laid before the Senate a communication from the United States Employees' Compensation Commission, transmitting, pursuant to law, a statement showing the average number of employees receiving the increased compensation of \$240 per annum for the four months of the fiscal year 1920, which was referred to the Committee on Appropriations.

### PUBLICATIONS ISSUED BY DEPARTMENT OF INTERIOR.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a statement showing the various publications issued by the department during the fiscal year ended June 30, 1920, which was referred to the Committee on Printing.

### ANNUAL REPORT OF ATTORNEY GENERAL.

The VICE PRESIDENT laid before the Senate a communication from the Attorney General, transmitting, pursuant to law, the annual report of the Attorney General of the United States for the fiscal year ended June 30, 1920, which was referred to the Committee on the Judiciary.

### PETITIONS.

Mr. ELKINS presented a resolution in the nature of a petition adopted by the Slovak League of America, Assembly 141, at Clarksburg, W. Va., relating to the partition of the Czecho-Slovak Republic, which was referred to the Committee on Foreign Relations.

He also presented a resolution in the nature of a petition adopted by the Slovak League of America, Assembly No. 259, of Monongah, W. Va., relating to the partition of the Czecho-Slovak Republic, which was referred to the Committee on Foreign Relations.

He also presented a petition from the Chamber of Commerce of Casper, Wyo., praying for the enactment of legislation increasing the compensation of employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution in the nature of a petition of Local Union No. 2942, of the United Mine Workers of America, urging that further prosecution and imprisonment of violators of the espionage act be abandoned, which was referred to the Committee on the Judiciary.

Mr. McCUMBER presented a petition of the M. J. McElvain Post, No. 152, of the American Legion, Fullerton, N. Dak., praying for the enactment of legislation to pay ex-service men a bonus, which was referred to the Committee on Finance.

Mr. HARRIS presented a resolution in the nature of a petition passed by the cotton farmers of Cobb County, Ga., in mass meeting, praying for the enactment of legislation increasing the price of cotton, which was referred to the Committee on Agriculture and Forestry.

Mr. KENDRICK presented a resolution in the nature of a petition adopted by the annual convention of the American Federation of Labor and approved by the Hanna Local Union, No. 2335, United Mine Workers of America, Hanna, Wyo., praying for the enactment of legislation granting amnesty to political prisoners, which was referred to the Committee on the Judiciary.

He also presented a petition of the Natrona County Stock-growers' Association, at Casper, Wyo., praying for the enactment of legislation permitting honorably discharged soldiers and sailors be permitted to enter upon and take up 640 acres of the unoccupied public domain without residence or improvements, which was referred to the Committee on Public Lands.

### EMBARGO OR TARIFF ON WOOL.

Mr. WARREN. Mr. President, yesterday certain telegrams and letters in the way of petitions were presented regarding the sheep and wool industry of this country, among others the returns from the Chicago market on a very considerable shipment—some 2,000 or more head—of sheep which it seemed netted the producer only a fraction over 32 cents per head.

Wishing to ascertain something of the condition of the market elsewhere I wired yesterday to one of the large sheep-growing concerns in the West for their latest returns on mutton shipped to Kansas City, and I have in my hand a telegram in reply stating that the "net per head, ewes, was \$1.22½." That was the Kansas City market upon good sheep. The sheep-growing concern referred to, which has been many years in the business and which shipped these sheep, has been at an expense of from \$7 to \$12 a head in raising animals of that kind during the past few years.

While speaking of the market on mutton, I might as well mention the market, or rather lack of market, for wool. This same western concern received for its wool clip of 1919 a net return of two hundred and sixteen thousand and some odd dollars over and above all shipping and selling expenses. The clip from that same corporation is now lying in Boston, equally good, possibly better, and would not bring in the gross, from all the indications that I am enabled to secure, \$100,000, and from this will have to be deducted something over \$25,000 for transportation of the clip more than 2,000 miles, the commission percentages, storage, grading, and so forth. In other words, it would not bring at the present time more than about one-third of what it brought a year ago, even if it could be sold at all; and, of course, the expenses of raising the present year's clip have been higher than they ever were before.

I have a great many letters and telegrams respecting the extreme distress that prevails in the wool-growing industry. Of course there is some distress in the agricultural line as to all products, but these particular products—sheep and wool—seem to be the ones which suffer most and which will result, unless quick relief is afforded, in very many financial failures. The worst of it is that such failures are not confined altogether to the growers, but from documents that I have in hand, and